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POLITICAL AFFAIRS

Precongress Political Scene Viewed

934C0256A Moscow NEZAVISIMAYA GAZETA
in Russian 3 Nov 92 p 2

[Article by Sergey Parkhomenko: "Four Weeks to the Congress: In Yeltsin's Circle—a Crisis of Ideas; Yeltsin Has Not Found Worthy Replacements for Shakhrai and Burbulis"]

[Text] "This unnecessary congress," as Boris Yeltsin said of the higher legislative assembly of Russia, will open on the date set by the Supreme Soviet—1 December. There is no evidence of real resources for a "fight to postpone the dates," which is not over yet, and which they do not stop repeating in the president's circle. There was a solid majority in the first voting in parliament, and the confirmation of an adopted resolution with an even greater majority of votes, in response to the president's message... Nothing can really be done about this. Exactly four weeks remain. The clock has been started.

The term—"asymmetric answer"—was used for the first time, if you will recall, by Gorbachev, when the Union military departments were issued the task of urgently working out an effective and economical method of counteracting the Strategic Defense Initiative of the United States. It then turned out that it was not absolutely necessary for the exhausted Soviet economy to strain its last forces to create a real space-based antimissile shield similar to the American one. But it was quite enough, for example, to strew hunting pellets at the necessary point in near-earth orbit, or, let us say, launch a couple hundred cast iron ingots that move in a well-calculated orbit; delicate laser attack systems split into smithereens when they run into this debris...

This kind of an asymmetrical idea—simple, cheap, and radical—it seems, has not been required of Boris Yeltsin for a long time as critically as at this time of outrages in the "strategic initiatives" that have been displayed by the irreconcilable opposition. But the president has no such idea today, when only a total of four weeks separates the president, perhaps, from a very unpleasant outcome.

In any case, it is very difficult to believe that a series of clumsy, ponderous, and, for the most part, unusually straightforward moves made by Boris Yeltsin in recent weeks were, in fact, associated with the hard logic of a well-calculated maneuver.

The inexplicable escapade with the dissolution of the organizational committee of the FNC [National Salvation Front] in bypassing the normal judicial procedure, which in itself is filled with the sense of the existence of this dismal political freak—of course, is one of a number of such "faux pas."

But to see how the presidential ship is yawing from side to side, not maintaining its course, and how it is burying its nose in the wave, it is simplest of all if we try to understand the numerous oddities that accompany the personnel rearrangements in the administration. Only an amazing

absentmindedness of the president and his apparat can explain the fact that Aleksandr Titkin continues to remain in the position of minister of industry of the Russian Federation for a month after his department was abolished by an edict on the reform of higher executive organs of the republic. Only the profound uncertainty of the president in the fairness of his complaints appears in a hitherto unprecedented decision: To return Minister of Health Andrey Vorobyev to the job after he was just dismissed with a lot of fuss, by appointing him as "acting"—it turns out, he is acting for himself.

But, in this final analysis, the matter, after all, is not restricted to such anecdotes. Information is coming directly from Staraya Square about the fact that instability and the uncertainty of even the near-term outlook are beginning to be felt here with the kind of severity that threatens a real disorganization in the current work not only of the governmental apparatus (which, unfortunately, is inevitable), but of the members of the cabinet themselves. At a minimum, twice in the last month, a number of key departments were literally paralyzed for several hours, and even for days, because their leaders considered that their dismissal had occurred.

Yeltsin's speech to the Supreme Soviet on 4 October cost the government a lot. Yegor Gaydar had to work hard to quell the impulse of several of his closest companions, who were ready to start "packing their suitcases" immediately.

The demoralizing wave of fragmentary rumors rolled through the ministerial cabinet on "black Saturday," 24 October. Immediately after the rumors, absolutely reliable information was received about six dismissals that were already formulated by edicts, whose texts lack only the dates. At a decisive moment, Gaydar once again was able to arrange that these dates not be set, and afterwards to send almost the whole team to Togliatti, out of harm's way.

In the end, just in the very last few days, members of the government learned of "Rutskoy's list": It seems that the vice president was not pleased with the series of oral statements made during a trip through the Russian north-west, and he set forth his ideas in writing to Boris Yeltsin with regard to the radical personnel reforms of the government. As was learned, Aleksandr Rutskoy demanded the dismissal of Yegor Gaydar, Anatoliy Chubays, Mikhail Poltoranin, Gennadiy Burbulis, Andrey Nechayev, and Andrey Kozyrev. No more, and no less. And although the government has reason to believe that this kind of maximalism of the general, nonetheless, will hardly be met with the highest understanding and approval, this initiative as such on the part of an official who is second in rank in the state, as the saying goes, also did not clear the air.

We will note here that, according to completely reliable data, you can almost never find specific complaints in the intentions to remove one or another minister, expressed by Boris Yeltsin in these weeks. Judging by everything, the question is exclusively about "political sacrifice," the need for which the president especially keenly senses from time to time. But if the purport of this sacrifice is seen by the president as conciliating the parliamentary opposition, if

he hopes to avert an especially fierce fight at the congress, then the effectiveness of such a measure should prove extremely low. The sacrifice of a figure, even a very important one, would simply be premature today—and it would have been even more so a month ago. There are almost no doubts that, until 1 December, the opposition will succeed not only in digesting the "piece" that was thrown to it, but also that it will get hungry again—and it will be good if it is not even hungrier.

Indeed, in general, the attempt to buy off the congress, and the idea itself of a "conciliatory sacrifice," we will admit, is a rather wretched idea. First, because it is frankly passive, being built exclusively on defensive motives. Second, because it is banal and expected. It does not have anything in it that is "asymmetric"; therefore, it seems highly unlikely that Boris Yeltsin would be pleased with it. But, after all, we repeat, when it comes to alternative variants, apparently the situation is not too good for the president. Incidentally, why?

Many analysts inside the administration, while not coming to an agreement, point to one principal peculiarity in the preparations of the president for the December battles. In the half year that passed from the moment that the previous Sixth Congress of People's Deputies of Russia adjourned, Boris Yeltsin's staff was actually deprived of Gennadiy Burbulis and Sergey Shakhrai.

The political influence of both was still tangible in April 1992, and since that time it has almost dropped to zero. A special theme is—what caused this to happen (and, in addition, the two cases do not resemble each other). It would be possible to talk about whether Yeltsin will want to or be able to bring his experienced advisers back into the system. But, in the meantime, a fact remains a fact: In the existing situation, the president can hardly expect that first-rate politicians, who are known specifically for their brilliant combinations of capabilities, will continue to give all they have got to the end. But, by the way, the concept of the Belovezhe agreement is in the service record of one of them... On the asset side of the other—a series of edicts that assured the triumph of August 1991... What can be said: Both would be useful somehow today.

However, Boris Yeltsin has only himself to blame now. He made his choice when he placed great trust in Skokov's Security Council. And while these days we are seriously talking about the threat to the system of presidential authority and to the constitutional structure of Russia, which is based on radical opposition—it would be exactly the right time for the council to show that it is earning its keep. But it seems that Yuriy Skokov still has nothing in particular to brag about.

As was learned from Aleksandr Rutskey's people, this evening another list will be submitted to the president of "current" ministers who need job placement—not in the name of the vice president, but in the name of the Civic Union.

If one is to believe the aforementioned source, Yegor Gaydar is not included on this list, and it is not a question of six, but about "still certain other people."

Yeltsin Action Against Front Considered

934C0260B Moscow LITERATURNAYA GAZETA
in Russian No 45, 4 Nov 92 p 10

[Article by Sergey Kovalev, chairman of the Russian Federation Supreme Soviet's Human Rights Committee, under the "Point of View" rubric: "The Front Retreats and Wins?"]

[Text] I have neither esteem nor respect for the doctrines and activities of the National Salvation Front [NSF]. I believe that this organization pursues unconscientious political goals and uses political methods to match. I can support my contentions with facts. For instance, I believe that the front's criticism of our government is clearly unconscientious. Such as the contention that the government is turning Russia into a global ecological dump. Forgive me: Not turning—has turned! And not this government, but a succession of previous ones. Not a global one, though—a national ecological dump. This does not change the substance, however. Suffice it to recall all our catastrophes that were carefully kept secret from the people, and it becomes clear that the Gaydar government is being made a scapegoat.

Or another twist. Russia, they say, is a raw materials supplier, no more than that. But, again, what does the Gaydar government have to do with it? We have not been selling anything but raw materials for decades. This is a well-known and commonly acknowledged fact. What else can we sell? Do we know how to make anything on the level of world standards? We cannot build anything that could be sold. So we pump crude oil.

And since we are unable to use modern technologies, we leave half of this oil in the ground.

Take the style of "patriotic" argumentation. "A government of occupiers." What is this? Who occupied whom? How? When? Is anyone legally responsible for such attacks?

The substitutions the front leaders engage in may be illustrated by other examples. There is simply no time to enumerate them all. So how can one have esteem for these people and their goals? Their goals are quite transparent as well. One of them is to slow down the course of reforms and to grab power, by any means. An ambitious goal, and not a smart one. Of all people, they should not be reaching for it. Because they are not in a position to change the situation, since they are not offering anything that could improve it. It is a typical Soviet promise: to achieve prosperity for everyone without cost, without a price to pay. Our modern history is replete with examples of periods when these promises were believed, which ensured for those who issued the promises a certain term of well-being. Hence, the appraisals of the National Salvation Front's activities—especially if one also takes into account their semifascist slogans—for me these appraisals are completely unambiguous and fair.

There is, however, another, no less important question.

What are the legal grounds for the edict disbanding this organization? I do not see such serious grounds, since, NSF members' statements notwithstanding, their documents are free of calls for unconstitutional actions. In any event, the documents I am familiar with—I do not know what else they have. In the distributed, published documents, there are no such calls. This is a road fraught with danger—to use an unconstitutional method of struggle against clearly unworthy and potentially dangerous opponents. It is a noble goal, to reign in the reactionary forces, but does it justify the means chosen?

Because tomorrow these means will be applied—as, again, our history (and not only ours) shows—to someone else. This time, to a more constructive and less strident critic of the authorities. So in the end, the same question arises that has plagued Russian history since times immemorial: Which side of the barricades are we to take, and how are we to combine law with expediency? In reality, these are incompatible things.

A dangerous road....

Speaking of the political aspect of this matter, we have to understand: In reality, by this edict the president has raised the National Salvation Front's rating. Or we may put it this way—he has adorned, with his own hands, the front leaders with a crown of thorns. Did he not learn from his own experience that more often than not, people support the underdog? So why help the opponents to develop their muscles?

Finally, one more remark—a purely practical, rather than legal one. The front leaders have refused to obey the presidential edict. What does the president intend to do next? Arrest them? Is it necessary to demonstrate, in addition to his attitude, his impotence? Or, what if he uses force? This would mean, however, taking the road that is not based on law. In my opinion, such edicts should be thought through before being issued. Alas, one cannot detect here an active thought, a forethought of events.

What could be used against the front?

I think that what was needed was a calm, sober analysis of their goals, which, as I already mentioned, are poorly masked. The president has enough authority in the society and, it seems to me, his appeal to the people would have been far more effective. Such opinions have been voiced. The president manifests quite clearly his adherence to the course of the reform. Had he shown more often his adherence to the course of a law-based state, interacted more often with genuinely democratic forces, it would have enhanced his authority and provided additional confidence in him.

Sakhalin Governor: Boycott Dec Congress

934C0259B Moscow LITERATURNAYA GAZETA
in Russian No 45, 4 Nov 92 p 2

[V. Fedorov statement: "Boycott the Congress in December, Postpone It Until the Spring": V. Fedorov, People's Deputy of Russia and Governor of Sakhalin Oblast, Declares"]

[Text] President of Russia B.N. Yeltsin is currently experiencing unprecedented pressure from two sides. First, from parliament, which has adopted the decision to convene on 1 December the Congress of People's Deputies of Russia, at which the president could be deprived of his special powers. Second, from the patriotic forces, which are openly seeking the removal of the president from office. Were such a scenario to come about, this would undoubtedly entail the fall of the government also, and would plunge the country into chaos, put an end to the course set toward reforms, and postpone them for a long time.

I believe that the people's deputies of Russia who consider themselves strong supporters of President Yeltsin should come to his assistance and boycott a congress held in December. Were 300-400 people's deputies of Russia to do just this, the congress would not be competent to adopt any decisions, and we would avoid a head-on confrontation of the executive and the legislature at this dramatic time for the country. The president's arguments leave no doubt that the start of spring is a far more suitable time for the convening of our congress.

But President Yeltsin also should take an unexpected step, which would remove the second danger threatening him. Why not make a number of key positions in the government available to the representatives of the patriotic forces who support the policy of reforms, that is, being patriots, firmly defend the need for transition to the market? There are such people among the patriotic forces. The choice and appointment of them to the government would signify association of the patriotic forces with responsibility for the reforms being pursued and would take the wind of unrestrained criticism and persecution even of the president from their sails. That confrontation today is totally out of place may be seen from the lamentable state of our economy and the scale of corruption and bureaucratism in the country.

The times demand of us both bold decisions and prudent compromise.

Opposition Declaration States Goals

934C0225A Moscow DEN in Russian 25-31 Oct 92
pp 1, 2

["Political Declaration of the Left and Right Opposition"]

[Text] Our motherland is on the verge of political and economic collapse. The threat of famine, unemployment, civil war, and the loss of real opportunities for us, our children, and subsequent generations to occupy a worthy place among the peoples of the world looms.

The political and national tragedy of the Russian state transformed into the USSR and now divided into appanage principalities by its ruling upper stratum is the first cause of the disaster which has befallen the country.

The main responsibility for the ruin of Russia lies not with interchangeable government teams but with the president of the Russian Federation, whose political mandate they fulfill. His aspiration to complete autocracy is at the basis of the Belovezha Pact, which was an outright violation of

the oath he took upon his assumption of office to abide by the Constitution of the RSFSR and has become the principal implement of the disarticulation of the unified state. A consequence of this policy is the total destruction of the country's economy and an openly antinational alliance with the international forces which, like the president of the Russian Federation also, see the liquidation of a united and strong Russian state as the basis of their unlimited power. As a result of these actions the state authorities have from an organ of the defense of Russians' national interests become in fact an occupation regime, which has brought Russia to the point of a new fratricidal war.

The economic reforms proclaimed by the president of the Russian Federation are just as much a lie as his election promises. Their actual content amounts not to an upturn of the Russian economy but to the destruction of the industrial potential of the state and its reduction to the role of raw material appendage of the industrially developed countries and source of financial handouts sustaining the regime. For this reason the removal from power constitutionally of the antinational and corrupt Yeltsin ruling clique is the chief condition of the restoration of the national economy and the implementation of truly democratic transformations in society.

The need for the adoption of immediate political decisions on the scale of the whole country is dictated by the following circumstances:

the denunciation of the 1922 Union treaty is a political falsification since this treaty became inoperative in 1924 with the adoption of the first Constitution of the USSR;

the 1977 Constitution of the USSR and, consequently, the single statehood of the Union of SSR remain legally valid inasmuch as amendments to the Constitution are competent only upon their adoption by the Congress of People's Deputies of the USSR, and the secession of the republics from the Union, merely on the basis of its legislation;

the Constitution of the USSR currently in effect cannot be executed at this time as a consequence of the overthrow of the legitimate authorities of the Union of SSR by the August-December 1991 coup d'etat and the virtual usurpation of the state power of the Union by the ruling clique of the Russian Federation—the initiator of this coup.

The meaning of the coup d'etat is the anticonstitutional division, contrary to the will of a majority of the population of the country, of the state and the establishment of the autocracy of the Yeltsin and kindred regimes—essentially pseudo-democratic and antinational dictatorships.

The survival of the state and the revival of our motherland as a great world power cannot be based either on a purely "command" system of management of the economy, which has exhausted itself, or purely "capitalist" market relations, of the 19th century model, which could under the conditions of the monopoly structure of the national economy and domestic traditions of social production, created over decades, engender merely anarchy and devastation.

The country needs a path of the rational combination of effective forms of state management of the economy and economic regulators providing for the equal competition of different forms of ownership and the relative independence of economic structures of society oriented toward national interests and priorities, regional included. This is a path of the gradual transformation, based on the will of the citizens, of the evolved social institutions, not their total breakup depriving the people of the principal medium of expression and defense of their national interests—the state.

Consolidation of the opposition is essential primarily for the implementation of **emergency anticrisis measures.** **MI** **Their actual content will depend on the extent of the ruin on the national economy of Russia by the Yeltsin regime and is based on the following propositions:**

1. The growth of social production and public consumption in the country is the priority of state economic policy. Budget balance may be achieved only given a balance of these factors; financial policy and monetary circulation should work to support them. The state is required to create the conditions for the revival of the base sectors of the economy and the successful operation of domestic enterprises, particularly those manufacturing consumer goods, not by its actions to bring them to the verge of bankruptcy.

2. The disrupted ties between enterprises within the framework of the country's single national economic complex must be restored. It is essential for this to reconstitute federal organs of concerted economic management. The state must ensure the stability of taxes and the prices of basic necessities and the absence of customs barriers on national territory.

3. To ensure a proper living standard of the populace the immediate goal of the anticrisis measures is the restoration of the correlation of consumer prices and wages at the level prior to the August-December 1991 coup d'etat.

4. The program of "wholesale" privatization being pursued under the conditions of the catastrophic decline in production and the fall in the living standard is geared to the deprivation "on a legal basis" of an overwhelming number of citizens of the country of public property and for this reason must be stopped immediately. It should be replaced by a set of interrelated measures pertaining to the demonopolization and denationalization of sectors of the national economy undertaken under the conditions of economic stability and providing for the citizens' unimpeded choice of form of ownership—public, collective, or private.

These measures should be the object of long-term state investment and socioeconomic programs adopted by the highest representatives organs of national power.

5. All forms of agrarian production should be a priority target of state investments and preferential credit aimed at securing a growth of agricultural production in the country. The question of ownership of the land, public or

private, and forms of its utilization, possession, and disposal should be decided at the state and regional levels, in accordance with the wishes of the people, on the basis of evolved management traditions.

6. Foreign economic policy should be based on precise state regulation providing for the priority provision of the populace with food and consumer goods and provision of the country's economy with raw material, energy, and equipment. The terms of the agreements and contracts which have been concluded by the ruling regime and which are detrimental to Russia's national interests must be made public and revised. The convertibility of the ruble may be realized only as economic stabilization is achieved and should be introduced in stages, as the positions of the Russian economy on the world market strengthen.

7. Given a continuation of Yeltsin's policy of the disintegration of the national economy, the country could within the next few months be faced with the need for the imposition of strict state distribution measures aimed at elimination of the threat of mass starvation and total economic devastation.

In the political sphere the emergency anticrisis measures should provide for:

the restoration of the country's territorial integrity defined by the Constitution of the USSR, the unity of its armed forces, and the protection of the rights, security, and property of the citizens;

the creation of the conditions for the democratic choice of their state arrangement by the entire population of the country;

the realization of true self-determination for all, primarily for those who wish to live in a united country, contributing to the creation on the basis of the constitution of a real system of power of the people;

freedom of choice by its inhabitants of the positions of this political force and movement or the other in respect to the future and opposition to the imposition on the country of new dictatorships which could bring it even worse disasters.

The future of a unified state may be determined only by the will of the people. No one political force in the country may predetermine its future. This is the task of an empowered assembly of people's representatives elected for this purpose by direct and equal ballot. It is called upon to decide the question of the form of rule in the country and to determine the status of its territories, including the question of self-determination, that is, to reconstitute the integrity of the state.

The opposition declares that it regards our fatherland as a great power. It has its own historical, economic, spiritual, and geopolitical interests, which determine the content and goals of foreign policy. The government, which is called upon to uphold these interests, is required to revise or denounce all interstate treaties, agreements, and conventions concluded in the Gorbachev-Yeltsin period if they are detrimental to our country's international position and its traditional friends and allies.

The 1975 Helsinki accords remain the base which defined the postwar realities in Europe and the principles of interstate relations, by which the future Russian Government intends to be guided.

From the moment that it assumes power constitutionally the opposition will begin to restore the system of state guarantees which were an inalienable part of the tenor of life of all citizens of our country throughout past decades. Rights to labor, housing, recreation, education, and health care will be guaranteed by the appropriate legislation, social policy, and economic programs. A package of measures to prevent the extinction of the population of the country will be adopted immediately, for there cannot be a revival of the state when it faces the threat of the degeneration of its people.

The state will undertake the funding of basic research, the higher school, and promising applied developments. It will contribute to the development of all forms of scientific cooperation and the flexible ties of research, academic, and industrial outfits.

In the sphere of culture priorities will be assigned the multinational property of the country in all its fullness and support for and dissemination of world cultural values. The commercialization of culture is incompatible with the spiritual traditions of the peoples of Russia. This is a historical impasse, and the government will counter the demoralization of society by means of mass culture. Unions and associations of figures of culture will receive state support with a guarantee of total noninterference in the affairs of artistic organizations.

The state guarantees freedom of speech and the press and equal access to the mass media for all citizens of the country and their associations and also fullness and authenticity in the work of the press, radio, and television at the state and regional levels.

The destiny of each people is connected with particular religious creeds. The state undertakes to the support traditional creeds of the peoples of the country, given total noninterference, guaranteed by law, in the internal affairs of the church.

The opposition has united in the name of national-state salvation. Its main task is to make provision for the public, representative, and constitutional method of expression of all citizens of the country in respect to its sociopolitical arrangement, the principles of interethnic relations, and the legal status of the individual and the state.

We believe in the rightness of our aims.

We are convinced that our country was and remains a great power.

We are sure that our people will emerge from the discord into which they have been drawn by false prophets even more powerful and can consciously and freely realize their hopes and ideals.

[Signed] V.I. Alksnis, people's deputy of the USSR, member of the Standing Presidium of the Congress of People's Deputies of the USSR; M.G. Astafyev, people's

deputy of Russia, chairman of the Constitutional Democratic Party (National Freedom Party); S.N. Baburin, people's deputy of Russia, chairman of the Russian National Union (ROS), coordinator of the Russia faction of deputies; V.P. Biryulin, chairman of the Russian Idea association, cochairman of the Russian People's Union; E.F. Volodin, deputy chairman of the Council of National-Patriotic Forces of Russia; S.P. Goryacheva, people's deputy of Russia; V.I. Gusev, secretary of the board of the Russian Federation Writers Union; N.I. Doroshenko, chief editor of the newspaper MOSKOVSKIY LITERATOR; I.I. Yepishcheva, chairman of the Dignity Women's Council; G.A. Zyuganov, chairman of the Council of National-Patriotic Forces of Russia, cochairman of the Russian National Assembly Duma; V.A. Ivanov, chairman of the Russian National Revival Party; V.I. Ilyukhin, chairman of the Commission Investigating the Anticonstitutional, Antistate Activity of M.S. Gorbachev; V.B. Isakov, people's deputy of Russia, coordinator of the Russian Unity opposition bloc of factions of deputies; I.V. Konstantinov, people's deputy of Russia, chairman of the board of the Russian People's Assembly (RNS); R.I. Kosolapov, member of the Russian Communist Workers Party Central Committee; A.N. Krayko, people's deputy of the USSR, member of the Standing Presidium of the congress, people's deputy of the USSR [as published]; S.Yu. Kunyayev, secretary of the board of the Russian Federation Writers Union; Ye.A. Lukyanova, member of the coordinating council of opposition forces of the M.V. Lomonosov Moscow State University; N.N. Lysenko, chairman of the National Republican Party of Russia; A.M. Makashov, chairman of the All-Russia Popular Assembly Duma; A.S. Mitrofanov, chief editor of the ROS-informbyuro, member of the coordinating council of the Russian National Union (ROS); N.A. Pavlov, people's deputy of Russia, coordinator of the Russia faction of deputies; A.A. Prokhanov, chief editor of DEN, the newspaper of cultural opposition; G.V. Sayenko, people's deputy of Russia, coordinator of the Russian Unity opposition bloc of factions of deputies; V.M. Smirnov, president of the P.B. Struve Foundation; A.N. Sterligov, cochairman of the Russian National Assembly Duma, chairman of the Officers for Revival of the Fatherland movement; S.N. Terekhov, chairman of the Officers Union; M.G. Titov, member of the coordinating council of the Working Russia movement; S.Z. Umalatova, people's deputy of the USSR, chairman of the Standing Presidium of the Congress of People's Deputies of the USSR; O.A. Finko, chief editor of YURIDICHESKAYA GAZETA; A.A. Shabanov, cochairman of the coordinating council of the Association of Patriotic Forces of the Left of the M.V. Lomonosov Moscow State University.

Moscow, 21 September 1992

The Political Council of the joint opposition handed the editorial office this "Political Declaration of the Left and Right Opposition" signed by a group of people's deputies of Russia and representatives of parties, movements, and organizations. The declaration is open for the signatures and support of all opposition forces.

Prokhanov Appeal for 'Red-White' Unity To Save Russia

934C0247A Moscow DEN in Russian No 43,
25-31 Oct 92 pp 1, 2

[Article by Aleksandr Prokhanov: "And Are You Ready To Stand Up for Russia?"]

[Text] The enemy is in the home, the jailbird in the courtroom, and the seducer in the school. Our boys are having their skulls shaved and being dispatched to Serbia to fight for America. Our girls are being bought up and sent to bordellos overseas. We no longer have anything with which to defend ourselves, and there is nothing to eat. Foreign intelligence is calling the tune. War and death are here, and boilers and reactors will be exploding in the winter. Russian women have stopped giving birth, and whole provinces are quietly dying out to the chomping of blackguards growing fat and to the screeching and screaming of liars. Only the rats and carrion crows have it good in Russia.

We are being killed off in planned fashion and with impunity. America, at the hands of its hirelings, is wreaking vengeance on Russia for its recent greatness, for its recalcitrance. The race, character, and culture are being wiped out for good. A temperament and a philosophy which is unique and which has by its faith, understanding, and love encompassed a thousand years of history are being extinguished. All this is being beaten out and turned into ichor, into nothing.

The people have no strength left, it would seem. They have resigned themselves, surrendered. They will rebel in the end, just before they disappear. They will terrifyingly tear open their shirts and lay bare their chests and go unarmed to meet their destroyers, falling under the shots at point-blank range, damning their executioners with a terrible Russian curse.

Or not? Are the people not weak, not deaf but listening keenly and waiting? Is it simply that they are unwilling to put their faith in just anyone, only those who can divine their misfortune, their troubled dream, release them from the spell, spare them the final expenditure, and pull them back from the final boundary?

There are still a few hours for the utmost work of heart and mind. There is a last hope of raising the people to conscious resistance in the face of the extreme action and explosion.

OF WHAT DOES THE IDEOLOGY OF RESISTANCE CONSIST? OF WHAT DOES THE PRACTICE OF NATIONAL DELIVERANCE AND VICTORY CONSIST? INTO WHAT KIND OF SPIRITUAL CONTAINER WILL WE ENCLOSE OUR EBBING STRENGTH? WILL WE PRESERVE THE PRECIOUS UNEXTIRPATED BALANCE?

Two energies, two ideas—"red" and "white"—breathe in our tormented body. They collide with one another and move together, spill forth once again, thrusting one another back, ready to explode.

The "red" is the idea of mundane building, improvement. Audacious reliance on strength and structure. Fraternity, the cooperative, united for the achievement of terrestrial perfection, in which the people's dream of justice and the human family is satisfied and where the strong man protects the weak, the rich man shares with the poor, and a "paradise on earth" is created by the united community.

The "white" is the idea of the grand Russian destiny, Russian faith, and Russia's precious lot which has created a unique people amid inimitable vast expanses, where for a thousand years God's mysterious work has been wrought and the divine word, unspoken as yet, but secretly audible in the old tales, in the folk song, and in the church liturgy, is articulated. This word is of the coming miracle, love, and national beauty, in which lies the whole truth and all knowledge of heaven and earth.

These two ideas, two forces ill-fatedly clashed in the civil war, destroying one another, shedding an ocean of the people's blood and bestrewing with bones the space between three oceans. They bled Russia white and unmanned it, and it, having crushed within it the "white" and having donned the "red" garb of the USSR, caved in after 70 years, having become you and I together—stateless, cleaved, deranged, and occupied by foreigners with an idea and a will which is alien and offensive to us and which is expelling us from history.

Before rising against the foe and raising the people to resistance, the tragedy of the "red-white" antagonism must be overcome in utmost exertion. "Red" means social justice for the individual person living out his days. And "white" means national justice for a people inimitable in their infinite destiny. These two national faiths must merge, are already merging and beginning to fill in the dug-out banks of our native history.

The ideology of national salvation is the ideology of reconciliation. To the civil war smoldering even now in Russia there must be an end. "White" and "red" bones must be poured into a brotherly grave, and on its fresh mound before the march and battle let us pronounce words of reconciliation. Social truth and national beauty will unite the patriots. And let those who wish to embroil us rage in impotence. Let those who would like dominion amid our discord and misfortunes disappear.

TWO HORSES, "RED" AND "WHITE," ON THE BORIS AND GLEB ICON STRIDE SIDE BY SIDE. IN THE BUILDING OF GREAT RUSSIA THE UNITED PEOPLE WILL DRAW WITH BOTH CUPS—RED AND WHITE—AND DRINK FROM BOTH WELLS.

No longer is there a state in Russia. The trains are not running, and the graves remain half-dug. The remnants of the army are suffocating in the Baltic cauldron. The Foreign Ministry is preparing landing zones for NATO airborne forces. Judges are persecuting patriots, and diamond-wearing gangsters are selling cities and land. Shells are landing in bedrooms, and the democrats in prefectures and city halls are idling, thieving, and getting drunk.

We strong-state advocates will return the state to the people.

For the Russian people the state is not simply a barrack yard or courtroom or system of taxes or the governor general. For the Russian man the state is a religious, ethical, spiritual category, which embodies all personal, family, ancestral, and popular hopes and accomplishments which have made it possible over a thousand years to escape perdition and to create hillock by hillock, stream by stream a unique power populated by a hundred languages and containing a multitude of faiths and cultures and vectors of history. Not crushing, not wearing out these cultures and beliefs but combining them into a polyphony, excluding among them strife and wars and steering them toward the common task, comprehensible to all, of joint perfection and prosperity.

This is why, no matter how difficult life was, peasant and prince, parish priest and great writer, Great Russian and Tatar were strong-state advocates. Giving their lives for the fatherland, they knew that they were serving their progeny and deceased forefathers and also the highest—for the nonbeliever, social, for the believer, divine—truth.

This is why the demolition by the present traitors of a great state is seen by the people not only as an appalling misfortune but also as a transgression of the very laws of existence. And Russia considers them, the traitors, enemies of the human race.

Being a strong-state advocate in Russia is easy for thus are our plants and places of worship disposed and our tales and military manual written, and thus do our winds blow and our rivers flow. Being a demolisher of the state in Russia is difficult for they, the traitors, are a small bunch, and they are hated and cursed by every living person in Russia.

CROSSING OURSELVES, WE ARE BEGINNING OUR SACRED CAUSE—WE ARE RESTORING THE RUSSIAN STATE.

The man who bethinks himself president is promising the Kurils to the Japanese. His counselor, whose infernal role is to incite and set at odds Baku with Yerevan, Tbilisi with Sukhumi, is proposing that Russia be cleaved into 30 tiny countries. The "oculist," with his eyes on the mayoralty of Moscow, calls Russians slaves. Satanists kill a pig on the television screen, calling it Russia. IZVESTIYA, Ostankino, and hundreds of newspapers and leaflets, hating everything Russian and exulting in our every failure, are attempting to persuade us that we do not have the right to our own state, that we are stupid, ugly, and evil and that only the enlightened incomer can govern a savage people and crush them with a rod of iron.

We strong-state advocates reject with scorn the abusers. Looking back at state experience, the richest in history, we are embarking on the reconstitution of the state.

No one can today say what it will be like, our future Russian state. Whether it will have a tsar or president, parliament or popular duma. There are too many opinions and ideals among us patriots. And no one at the hour of

common struggle and sacrifice would make so bold as to say to another: "I am right, you are not! I know, you are in error!" History will, after our victory, itself suggest and teach. Building and works unbounded will show us how to lay out the walls and roof of our common Russian shrine. But, for all that, there are several common views and several points of rest and stones on which the shrine of state has been installed down the ages.

Three essences, three "cosmos" of Russian notions of the world, taking shape in a trinity, form the universe and architectonics of the Russian heaven and earth and suffuse the "Russian idea."

The "SPATIAL COSMOS"—Russians' striving into the distance, upward and in breadth, into infinity, which has enabled us to create an immense "machinery of the expanses," which we govern, prevent from disintegrating, cover with cities and roads, tend and care for, and in which we combine eternal ice and everlasting sultriness, ocean and small spring, and the Danube delta and the Amur. A multitude of peoples live on this governed continent, where previously peaks and valleys had clashed in wars and, at odds with one another, time zones, reconciled by Russia, crawled over each other and came to a halt in balance, bestowing on the peoples peace and prosperity. Russia cannot be tiny, only immense and great. This is its mandate from the planet, from continents in balance. The villains disarticulating us into a multitude of absurd fragments are destroying the "machinery of the expanses" and setting mountains and seas in motion, and in the fractures and cavities cities and villages are already burning and deceived peoples are with imprecations dying.

The "SOCIAL COSMOS" is the aspiration of Russians to base their daily life and structure on the truth, on the collective good, and on general accord, when the small and weak, be they a people or individuals, are protected, when in state codes and courts and in royal palaces and at popular assemblies the creator is extolled, where service is for people's benefit, and where any discovery and any aspiration to perfection are poured into the people's common purse.

Russians have conveyed such a righteous society and such a just world through all the darkness and evil of real history to the present day and are in accord on it alone. We reject the oligarchy of liars and money-grubbers building their good fortune on the people's tears. We reject a president casting a free industrious people into slavery to evil-doers. Russia will have a ruler consonant with its ideals. There will be an elite sacrificing themselves for the people. There will be an assembly and a parliament consisting of patriots of Russia.

The "SPIRITUAL COSMOS" is the infinity of our dream, the dissatisfaction merely with the earthly vale, and the understanding that man does not live "by bread alone." A knowledge and presentiment of the true meaning of history, where good and evil and light and darkness have clashed in pitiless struggle and where each human action and each sovereign's edict are comprehended against the background of this struggle and serve the victory of light

and the vanquishing of evil. Native history—war, building, and the acts of saints and heroes—is a sacred book, in which every soul, yours and mine, inscribes its crimson letter. The cult of cash and lust, the soulless machine, and arid calculation designed to maim our spirit we reject.

THE "STATE IDEA" OF RUSSIA, WHICH WE ARE TO EMBODY IN SPECIFIC INSTITUTIONS OF POWER AND IN THE ARRANGEMENT OF BORDERS AND ALLOTMENTS, IS COMPREHENSIBLE TO ALL GENERATIONS OF STRONG-STATE ADVOCATES IN ALL PERIODS OF OUR SACRED HISTORY.

Russians, who had their Tolstoy and Suvorov, Yesenin and Marshal Zhukov, are being enslaved by Estonians. Snegur, having obtained aircraft from Yeltsin, is bombing Bendery, bombing Moldavians and Ukrainians, and in the era of "values common to all mankind" is effacing the city from the earth. Shevardnadze, having killed off the Union and now killing off Georgia, is dispatching helicopters to shoot up Abkhaz beaches and sanatoriums. Gorbachev, the criminal of all ages and peoples, broke the tremendous conquest of mankind—the balance of peace—and a landslide has slid onto the world: the Balkans and the Caucasus are already at war, Central Asia is beginning to emit smoke, and the Central Volga has begun to stir. We will halt this dreadful landslide, we will stop war. We strong-state advocates, embarking on construction, have the mandates of those who lived before us, we are the pupils of the great minds of Russia.

The "Russian idea," as a precious vital breath in which national philosophy, culture, and realm-building do not die, cannot be felt without the "Slav idea," is immersed in it, flourishes in it, and exchanges continuous vital energies. It is virtually inseparable from it and is indistinguishably blended with it, as the boundary of habitation of Russians and Ukrainians is indistinguishable and as Russian destiny is inseparable from Belorussian destiny.

Shameless chiefs targeting Ukrainian guns on Russian ships and expelling Russian professors from Belorussian universities are even today being perceived by the Slavs as Judases, and their names are being cursed from the pulpits of Slav churches. The immoral hireling who has affiliated Russia with the persecution of our sister Serbia and made the Balkans crimson with blood is a hater of the Slavs and the direct executioner of the captive Slavonic peoples.

The Russian state both in the past and in the future will have three hearts, three illustrious capitals—Moscow, Kiev, and Minsk. Russian policy, restored from the demolishers to the strong-state advocates, will be pro-Slav and will ensure for Slavs the desirable union for them.

Turki, Mongols, Finns, Iranians, Sarmaty, Ugrians—how many faces, how many bloods and faiths have united in Russia and invested their powers and discoveries in the great state, which twice this century has been devastated, ruined, and squandered and which we, not having stood up for it a year ago, will now seek to secure.

The "state idea" explains the inevitability of the immense multilingual state and expresses the law of the continent.

whose fate is safeguarded by the union of peoples living on it. The "state idea" is the theory in accordance with which peoples came together—and have only for a moment through the fault of brigands fallen apart—and whose individual prosperity depends on the prosperity of the continent, whose integrity and development depend on integrity and tranquillity in the continental state of Eurasia.

The purpose of the exhausting, but inevitable work which confronts us is the reconstitution of our Union and the summoning to a joint council of all peoples who have drunk their fill from the bitter cup, and only in such a union and at such a council will the guns of Karabakh die down, the fires of Sukhumi be extinguished, and the trenches of the Dniester region be cicatrized, and only then will there be an end to sobbing at the irrigation canals and in the vineyards of Fergana. We will have no faith in those setting us at odds with one another. We Slavs and Turki, Orthodox and Muslims will not fall out. Such is our wisdom.

AND ONLY IN SUCH UNITY, IN NATIONAL SATISFACTION, AND IN TOTAL INNER HARMONY AND FULLNESS WILL WE FACE MANKIND, FEEL OURSELVES A PART OF IT, AND BECOME INFUSED IN TERRESTRIAL CIVILIZATION.

Our missile plants have been brought to a halt. The enemy has taken possession of our mysteries and secrets. Our scientists are being transported overseas to nurture foreign science. Our writers are dying from starvation. Icons are being stolen from our museums. Our girls are being taught to become prostitutes. Our young men are being encouraged to become profiteers. And everywhere—on the screens, on the streets, in the newspapers—the loud, replete, vile, and guffawing loudly, is regnant.

There is no doubt that the misfortune which has occurred is more than great. The state has been demolished, society has been divided, the structure has been ruined, national mentality has been traumatized, and the national idea has been suppressed, and we are all in a state of great collapse. But there is in this one, not immediately visible, blessing, there is one hidden advantage, of which it is not the time to speak. It is not we alone who are in a state of failure. The whole world, all ostensibly thriving civilizations are rotten within, have had their day, and are weighed down, and the sensitive ear can hear the boom and crash of their collapsing rafters. A new terrestrial reality, a new type of civilization, and a new type of man rejecting ferocious consumption, a machine attitude toward life, and apathy toward nature, toward God, and toward the mystery of the soul and the world are coming. The old world is exhausted, and the world will not escape renewal.

We on our smoldering ruins, venturing to reconstitute the state, have an opportunity to invest in it a new meaning which is sensed by mankind. We Russians, from whom our country has been stolen, will restore it to ourselves not for the sake of restoration, not converting it into a museum, in which the images merely of past eras hover. The historic creativity which we will undertake will be connected with

discoveries, with continuous innovation, and with an avid aspiration to the future. We will not lose from the past either a single icon and chronicle or a single cupola and prayer and we will not turn our back on recent nationwide accomplishments, be they the creation of a powerful industry, the victory in the war, or the leap into space.

But we, sensitive to the future, will build a civilization not on force, although there is nothing dearer to us than the defender-army, and not on material might, although, first and foremost, having driven out the adversary, we will feed those dying of hunger, clothe the ill-clad, and restore to the citizen all that the extortioners have taken from him. We will create our civilization on the harmony of matter and spirit and put at the center of life scientific and religious cognition. We will aspire in our acts to the goals indicated by those who found favor in the eyes of the church, philosophers and learned men of national science and writers and teachers of the people who called on us to live by truth and conscience. Russian civilization is what takes us back to the most deep-lying primal foundations, to the umbilical cord which binds us to the soil, nature, and the inspired cosmos.

LINKING ANTIQUITY AND THE FUTURE IN CONTINUOUS CREATIVITY, RUSSIAN STRONG-STATE ADVOCATES WILL REVEAL IN THE PEOPLE THEIR DEEP-LYING POWERS AND VALUES AND MAKE THE PEOPLE OMNIPOTENT

You remember how Ostashvili was killed, and did many patriots of Russia intercede for him at that time? Remember how the democrats in August broke up the district CPSU committees, and not one communist came out to defend them? Remember how miserably and pusillanimously the deputies of the Union lowered the state into the grave by a show of hands? And the present Russian parliament, seeing how the motherland is dying, is all the while listening to its trainer!

What are the ethics of the strong-state advocate, the ethics of the patriot who has set aside for the time being his concern for personal good for the sake of salvation of the motherland?

Sacrifice and intrepidity for weakness, timidity, avoidance of struggle, and a fear of losing the little which one still has—this and this alone is keeping in power outlaws intimidating and humiliating us. Let them, like eagle owls, terrify us with their nighttime cries, let them lead us into the darkness and torment us and mock our loved ones. Let them take our lives even. We will not take fright, as the knights on the fields of Great Russia, the partisans in the torture chambers of the forces of occupation, and the martyrs of our religion and culture were not afraid.

Fraternal love, preservation of one another. We patriots are so different, and there are in us so many nuances and properties, so many dissimilar ideals. There are among us monarchists, communists, liberals, technocrats, theocrats, atheists, and heathens. So wounding and offending another is easy. Suspecting, disagreeing, being at odds. All discord must be set aside in the face of the insulted

fatherland, of the image of the destitute motherland, which calls us to the field, to battle, to unity.

And if there is no living saint among us, the Venerable Sergius looks down to us from the heavens and appeals: "Brethren, love one another! Patriots, rise shoulder to shoulder!" Then, when we have vanquished the destroyers, we will sort out those who are for a tsar, those who are for a chief. But now—only fraternity and unity.

And, further, Russia is not vengeful. The Russian does not bear a grudge. He will not in victory be a chastiser. It will be sufficient that he has wrested the sword from the hands of the foe. We do not thirst for revenge, we do not intend to set up scaffolds. We are tired of blood and tears. We need civic harmony, and this, achieved by patriots in their joint salvation of the motherland, and the accord of "red" and "white," liberals and centrists will be embedded in our future fraternal communal life.

Let the Kalmyk and Chuvash, Yakut and Tatar hear us. Revering the heart and sanctity of any people, we call a Russian here anyone for whom Russia is his mother, who cannot live without her, and who is prepared to stand up for Russia.

ARE YOU A RUSSIAN? ARE YOU PREPARED TO STAND UP FOR RUSSIA?

Nina Andreyeva on Bolshevik Party Actions

934C0266A Moscow ARGUMENTY I FAKTY
 in Russian No 43-44, Nov 92 p 5

[Interview with Nina Andreyeva, general secretary of the All-Union Communist Party of Bolsheviks Central Committee, by A. Sargin; place and date not given: "There's No Time To Peel Potatoes"]

[Text] Today Nina Andreyeva is an important person: general secretary of the All-Union Communist Party of Bolsheviks Central Committee. The party is not registered but this does not embarrass its leader.

[Sargin] What are the priority tasks of the AKPB [All-Union Communist Party of Bolsheviks], and with which parties will you interact?

[Andreyeva] We will practice unity of action with parties of a "left" persuasion (in the traditional understanding of this word). Our closest associate is, of course, the Russian Communist Workers Party. We are also in contact with various patriotic movements and organizations. The main thing we support is a revival of the USSR.

[Sargin] How is the Union to be revived—by the commitment of troops to "unreliable" regions?

[Andreyeva] There's no need to commit troops. But Soviet power on the territory of the USSR needs to be restored (in spite of "Gorbostroyka"—this mockery of the people) by way of a general political strike.

[Sargin] Is our "top echelon" composed throughout of "apologies for leaders"? Perhaps you, for all that, respect some of our present reformer politicians, your mayor, in particular?

[Andreyeva] I do not respect the present politicians: they are the country's destroyers. About Sobchak I will say that I have a sharply negative opinion of all who have "repainted" themselves. There is no sugar in the city, the vegetables are perishing, but he takes his wife for a stroll across the "border."

[Sargin] You also have been over the "border." Excuse me, but who "primes" your overseas trips? After all, on the 3,000 rubles [R] pay of a senior lecturer you cannot get to Brazil, Belgium, North Korea....

[Andreyeva] We are the sole opposition party with contacts overseas. I have visited many countries in the past six months. And the travel and the allowances and the lodgings were financed wholly by the communist and workers parties which invited us.

[Sargin] Life overseas is not bad?

[Andreyeva] If you do not swoon at the handsome store fronts of the supermarkets, to which only the super-rich have access, but look at the life of the working professionals and the middle class, this life is very hard. Whereas with us an automobile is a luxury, in Brussels, for example, a car is a means of survival. Mass transit is not developed there in the least. Half the family budget there goes to pay for accommodations. People's dress in the "countries of capital" is very, very mediocre (there is a certain disregard for clothing even in the West, incidentally). Things that they wear constantly you, a young person, would, most likely, put on only for working on your personal plot. And their diet is very meager—meat is practically unobtainable for a substantial part of the middle class. They allow themselves to purchase it once a month, at best.

[Sargin] But this is a kind of tradition there. What about in North Korea?

[Andreyeva] We scoff at the fact that the Koreans live by ration cards, but they have the top level of communist food distribution. Each citizen is allocated the necessary minimum of food almost free of charge. For example, rice—300-800 grams per person per month at 8 kopeks a kilo—although its cost is 80 kopeks (the average wage there is R150, converted into our currency). If the minimum is insufficient, you can buy 80 kopeks' worth each. Pork costs R2-3. There are no communal apartments in Pyongyang. The janitors sweep not only the sidewalks but the roadway also. Well, in the "capitalist countries" the streets are both vacuumed and shampooed.

[Sargin] Who is inviting you now?

[Andreyeva] There are many invitations—to Italy, Britain, Greece. I do not know where I'll manage to go. There is much to be done here: the situation in the international communist movement has to be studied.

[Sargin] Nina Aleksandrovna, what is more important for you—the victory of world communism or continued comfort in your family? Is Marxism-Leninism true and all-powerful now?

[Andreyeva] You know, I like to prepare borscht, meat, salads—and they are tasty. But inasmuch as one is on the

crest of political life, there is no time to peel potatoes even I live with my husband and associate on prepared mashed potatoes and sprats in tomato sauce, more often than not. But Marxism-Leninism is an eternal teaching. Americans once visited us and inquired: "Where is your computer, on which you make such accurate political forecasts?" We burst out laughing and pointed to the shelves with the works of the classics.

Salvation Front Edict Praised, Scored

34C0259A Moscow *LITERATURNAYA GAZETA*
in Russian No 45, 4 Nov 92 p 2

[Comments on Salvation Front ban: "The Edict Has Caused a Sensation.... Yeltsin's Decision To Disband the NSF Organizing Committee Has Elicited Different Opinions"]

[Text] Anatoliy Shabad, people's deputy of the Russian Federation:

The president's edict, as a symbol of the fact that the authorities are beginning emphatically to struggle against breaches of the law, against calls for violence, and against brazen nationalism, which are preached by the organizations which are a part of this front—this symbol has to be approved, of course. Because up to this point the public procurator's office has displayed extreme passiveness, and the law has had no force.

But this edict in itself and its legitimacy give rise to a whole range of questions. First, it is unclear—nor does the law anywhere identify—what is meant by a banned organization and what measures should ensue from the status of banned organization. This is lacking in our legislation. I believe, therefore, that there should in reality be such an edict, and that there should be instructions to the public procurator's office that it deal with the specific people who are breaking the law and institute criminal proceedings against them. But this action could, of course, be too strong because, first, I do not believe that this front represents a real danger, and I do not believe that its propaganda will meet with a positive response in broad circles, and bans in themselves are not, furthermore, an effective means of combating this evil, and to some extent bans even strengthen the positions of those who are being banned.

I believe that there should be a regular, consistent policy of defense of the law.

Social life could develop in such a way that a negligible, unbridled minority could involve the whole people in the orbit of its actions, as has repeatedly happened in places where national wars are now being fought. Some group of people there preaches its nationalist views—an obvious minority group preaches views which to a large part of the people appear absurd. Nonetheless, the people could find themselves pulled into a war against their wishes. This is a consequence of the instability of the overall political situation, when low-level anger can have big consequences. Whether Russia is in this unstable state at this time, it is hard to say. I believe that this front does not represent an appreciable danger as yet, but the situation could change.

Ilya Konstantinov, cochairman of the National Salvation Front:

The edict of the president of the Russian Federation "Measures To Defend the Constitutional System of the Russian Federation," in which the first clause proposes the disbandment of the organizing committee of the so-called National Salvation Front and the prevention of measures pertaining to the creation of structures and activity of the said formation, has been announced.

The edict is groundless from all standpoints: legal, political, and ethical. First, from the legal standpoint the organizing committee of the National Salvation Front ceased to exist at the congress, where at the latter's decision the Political Council was formed—so there is no organizing committee. Second, the Constitution does not give the president the right to disband this social and political structure and formation or the other. This right, in accordance with Article 50 of the Constitution, is accorded only the judicial authorities. Third, the edict says that the front is an anticonstitutional structure, that it has militarized formations, and that it is fanning interethnic conflicts. None of these charges corresponds to reality. All documents of the front emphasize that we will act exclusively by constitutional methods. The front has no militarized formations—had it such, the Ministry of Security of Russia would already have taken the appropriate steps. Finally, the front's documents contain an appeal for national accord and reconciliation, not by any means for interethnic discord.

I should note that from the ethical viewpoint, also, banning a social and political organization which has just been formed, the day after its constituent congress, without having met with the leadership, without having conducted any preliminary negotiations and consultations with other political parties, and without having ascertained the viewpoint of the Supreme Soviet is unethical, to put it mildly. To all this the National Salvation Front responds unequivocally—we do not recognize the edict and will appeal it either in the Supreme Soviet or via the judicial authorities. Until we have a decision on the part of the judicial authorities, we will act as though this edict did not exist.

RCDM Will Not Participate in National Salvation Front Congress

934C0214C Moscow *NEZAVISIMAYA GAZETA*
in Russian 23 Oct 92 p 2

[Unattributed Report: "Christian Democrats Will Not Join the Front"]

[Text] On the eve of the congress of the National Salvation Front, Russian Christian-Democratic Movement (RCDM) chairman Viktor Aksyuchits sent telegrams to regional divisions of the RCDM asking them to not take part in the congress.

RMDR Proposes 'Compromise' on Constitution

934C02144 Moscow *KURANTY* in Russian 14 Oct 92 p 3

[Article: "Proposing Its Own Compromise"]

[Text] The political council of the Russian Movement for Democratic Reforms made an announcement regarding the Russian Federation's Constitution. It states in particular that the economic and sociopolitical situation that has evolved in the country stimulated the appearance of a compromise draft of the new Russian Federation Constitution. Were it to be adopted by the forthcoming Congress of People's Deputies, the Constitution would only freeze a certain ratio of political forces, and it would not ensure establishment of lasting political and legal foundations for the life of the state and society.

We, the statement emphasizes, see the real solution to be to divide the problem into two parts. The first objective is strategic—preparation of a full-fledged democratic Constitution, intended to last "for centuries on end." The second—tactical—presupposes development and adoption of a constitutional law for the transitional period, a law which would basically preserve existing government organs but which would limit their competency only to ensuring normal operation of the state in the period of reform.

The political council believes that convening a constituent assembly specifically to develop and adopt a new Constitution would be a democratic means of reaching the first objective. On the other hand the constitutional law for the transitional period could be prepared by the president and parliament with the participation of representatives from the political parties, followed by approval by a nationwide referendum.

Report on 'Democratic Choice' Group Meeting

934C0214B Moscow NEZAVISIMAYA GAZETA
in Russian 22 Oct 92 p 2

[Article by Yelena Tregubova: "Forums Will Vanquish the 'Civic Union'"]

[Text] A peasant will not cross himself until he hears the thunder—this proverb is what one of the followers of "Democratic Choice" used to explain the unprecedented excitement that prevailed during the last meeting of the association's adherents. Both co-chairmen of "Democratic Russia" appeared, and the deputy corps "from the democrats" was represented abundantly—Sergey Yushenkov, Petr Filippov, Vyacheslav and Leonid Volkov and others came.

The "Congress of National Salvation," which is to convene this Saturday, and the possibility for getting control of the congress in early December, which they assessed as "a last attempt to halt the political reforms and to separate the people from their property," was the thunder that caused these people to convene.

In order to gain a postponement of the congress or to render it as harmless as possible, the participants of the assembly decided to conduct a second forum of the proponents of the reforms at the eve of the date for which the congress is scheduled. And Alla Gerber, Iren Andreyeva and many other initiators of the Congress of the Intelligentsia, who were present at the meeting, promised to conduct their own forum on the eve of the one held by "Democratic Choice."

This brought an immediate response from Mr. Shek-ochikhin, president of the Russian Union of Private Property Owners, who proposed conducting a forum of democratic commodity producers a few days prior to these two events. Incidentally, Petr Filippov explained that 35 St. Petersburg directors have already forwarded a demand to Yegor Gaydar to conduct privatization without delay. The deputy felt certain that this is the best evidence that even the interests of a sizable part of the business elite differ sharply from the interests of the "Civic Union."

Sheynis on Abkhaz, Ossetian Conflicts

934C0254A Moscow LITERATURNAYA GAZETA
in Russian No 45, 4 Nov 92 pp 1, 11

[Interview with Viktor Sheynis, member of the Supreme Soviet of Russia, by Armen Gasparyan; place and date not given: "There Is War Already in Russia"]

[Text] [Gasparyan] Viktor Leonidovich, when you and I had finished our work on this interview we could not have predicted that a new conflict would break out, between the Ossetians and the Ingush. This is a conflict of the territory of Russia and it is difficult to choose a position on the clash that is occurring in the former Union republics... We know now that in the region of Vladikavkaz Russian subunits are attempting to remove the belligerents from the zones of fighting. Talks are under way and agreements have been reached that alas! are not being observed. When this issue of LITERATURNAYA GAZETA is published the situation will have changed. So let us leave military matters aside. Let us be broader in our scope—the position of the Russian authorities in this situation and with respect to what was in South Ossetia and is now in Abkhazia

[Sheynis] In my opinion the Russian leadership finds itself in a very difficult situation. Every time it has to make a difficult choice in which at least one of the sides will remain dissatisfied, and more often than not both sides. This applies in full to the conflict that has flared up in connection with the incursion of troops of the Georgian State Council into the territory of Abkhazia

In addition, neither the Russian Supreme Soviet nor the Russian public could remain indifferent. We had to take a position. However, this more or less balanced and calm position has caused annoyance not only in Georgia but also on the part of certain public movements in the North Caucasus. They believe that Russia has not been energetic enough in its response in favor of Abkhazia, and has failed to take decisive steps to restore order on foreign soil. The state structures in the republics of the North Caucasus and their deputies in the Russian Federation Supreme Soviet are under strong pressure from these forces

This question immediately arises: What resources does Russia have at its disposal to protect the civilian population of Abkhazia? What should we do. Declare war against Georgia, impose an economic blockade? In my opinion those resources are quite limited if we are talking not about just blowing bubbles, which is what the unified left-right opposition is doing so successfully

There is only one realistic path—negotiations, slow and difficult search for compromise, and political support for those forces in Georgia that are aligned on a peaceful settlement of the conflict. And although this position is unpopular in the eyes both of our belligerent national patriots and of the Georgian hawks, at present there is no other way to exert influence on the situation. The more so since in South Ossetia a unique algorithm has already been developed to reduce the acute nature of an interethnic conflict that is just as complex.

With the agreement of the parties a contingent of peacekeeping forces that does not in any way infringe on their dignity has been put into South Ossetia, and this has changed the situation radically. A quite powerful force of airborne troops has been inserted into a region that was literally running with blood and they learned how to deal with the armed gangs and illegal formations reluctant to submit to any authority. They could have dealt a crushing blow to those who wanted to prolong the fighting. Fortunately, that was not necessary. The very insertion of the troops was an action that cooled things and served as a warning. As a result, an approach was found to normalize the economic and social situation. And although the situation in Ossetia remains very complicated, I have seen refugees returning, and there are people on the brightly lit streets of Tskhinvali. This example should obviously be used in resolving the conflict that is destroying Abkhazia.

The situation in Abkhazia is in some ways simpler and in others more complicated than in South Ossetia. It is simpler in that there are tested methods and that the Georgian leaders, even though when they restored the 1921 Constitution they did not make provision for the existence of Abkhazia, (at least in the person of Shevardnadze and some of his closest associates) until recently had not raised the question of eliminating the Abkhaz autonomous formation. South Ossetia Oblast was hastily abolished by Georgia, and this served only to intensify the escalation of conflict.

But the situation in Abkhazia is more complicated. The republic Supreme Soviet has essentially been split in two—Georgian and Abkhaz—and alone neither has a sufficiently legitimate base. Moreover, in contrast to South Ossetia, where during the course of the fighting a more or less ethnically clear-cut territorial division was made, Abkhazia is divided into strips. The Abkhaz make up the minority, something on the order of one-fourth of the population, and they do not form adequately compact zones in which they live. It is more difficult here than in South Ossetia to separate the belligerents and deploy peacekeeping forces between them.

Notwithstanding, it is essential to try to find a peaceful solution to the issue. But this is impossible if we orient ourselves on victory for one or other of the sides. In this hot spot, as in many others in the CIS, peace is possible only on condition that each of the sides not only achieves its aims (incidentally, not at any price) but also makes a distinction between what is acceptable and absolutely unacceptable for the other side. This approach seemed to

have emerged during the meeting between Yeltsin, Shevardnadze, and Ardzinba early in September. The decisions reached at that time—withdrawing Georgian heavy weapons from the zone of conflict, reinforcing the Russian formations, protecting the railroads, and others—opened the way for an end to military actions and the search for political "solutions." But later the agreements signed in Sochi and the documents that the Russian Supreme Soviet adopted on the Abkhaz question, the advance of Abkhaz troops, and the expulsion of troops of the Georgian State Council from Gagra were undermined, and this was followed by new violence against the peaceful population... Instead of the expected conciliation there was a new spiral of escalation.

[Gasparyan] Can you give us more details about the position of the Russian Supreme Soviet...

[Sheynis] The Supreme Soviet has adopted two documents—a statement on the situation in Abkhazia and a decree in connection with the events in Abkhazia. Both of these documents contained sensible provisions. The people in Georgia who are accusing us of interference in its internal affairs should recognize that observance of human rights is not an internal affair for either Georgia or Russia. In addition, Russia simply cannot calmly look on as the flames of war lick around its border, which for 200 years was an administrative border and has suddenly become a state border. Related peoples live on either side of that border, and those flames may also reach us. On behalf of peace in Georgia and peace in Russia we were simply obliged to express our attitude toward the tragic events in Abkhazia and call upon everyone for restraint, not only to condemn the irresponsible action of the State Council but also warn our own hawks who are eager to respond to force with force. I repeat that initially the commission prepared relatively balanced and calm documents.

As often now happens, however, they were worsened during the debate in our Supreme Soviet. There was a strained atmosphere at the Supreme Soviet session and references were made to changes, and direct pressure was applied. In particular, I believe that adding to the text of the decree recommendations that the government refuse, until the Abkhaz conflict has been resolved, to conclude any economic agreements with Georgia was a serious mistake. The proposed change was even worse. It was recommended that all agreements with Georgia be renounced (which would also have meant the one that supports peace in South Ossetia), but it was possible to exclude that.

Notwithstanding, the amendment that was adopted is tantamount to a proposal to impose an economic blockade on Georgia. In my opinion this path is quite without prospects, even for those who are urging it on; it will not produce the desired results. The condemnation of the incursion by Georgian troops in Abkhazia found in the statement was at the insistence of those deputies repeated in the decree, which in my opinion is quite pointless. Decisions of the Russian Supreme Soviet cannot have the force of a decree in Georgia. The initial text of the statement included a paragraph in which the Supreme

Soviet recognized Georgia's territorial integrity, which would seem to be inarguable, and a balanced condemnation of the actions by aggressive forces. It was deleted under the risible pretext that what was so well-known should not be repeated. Moreover, I would like to remind you of one other bad thing that occurred at the stage of work by the editorial commission. In accordance with my proposal, it was written in the initial version of the statement that the Russian Supreme Soviet condemns the actions by those forces in Georgia that are to blame for the exacerbation of the situation. The members of the commission decided that this was excessive delicacy and they replaced that formulation and condemned the actions of the "leadership of Georgia." There is a certain logic here: There is such a thing as the principle of the solid responsibility of a government for actions undertaken in its name. But it seems to me that it would have been much more sensible and delicate to emphasize that we are ready to give due consideration to the various positions or even shades of positions in the Georgian leadership, and to support those forces in Georgia that are leaning toward compromise solutions.

[Gasparyan] What do you think about the position of Shevardnadze himself?

[Sheynis] I think that given all the ambiguity of his past career, and given the fact that much of his activity during the time of Brezhnev, Andropov, and Chernenko may cause some distancing from him (at least among democratic politicians), we should also take into account Shevardnadze's outstanding services in the post of USSR foreign minister. It is also common knowledge that he was part of the reform nucleus in the CPSU leadership in 1985-1990, and conducted himself well in August 1991. All of this must have imprinted a certain political stamp on him. True, Eduard Amvrosiyevich has demonstrated on more than one occasion his, to put it mildly, extreme flexibility and his ability to adapt to various circumstances. There is no doubt at all that his position in the Georgian leadership, particularly before the elections, was complex, and it largely remains so even today.

While insisting on milder formulations in our documents I proceeded on the basis that it is desirable to strengthen strongly the position of Shevardnadze and those forces that support him, as a counterweight to those who are counting on resolving both the Ossetian and the Abkhaz conflict by armed means. I therefore thought that the decision of the Russian parliament should rather help Shevardnadze and the moderate, reasonable forces (and they do exist in Georgia; I was convinced of this during a trip with a group of Russian deputies to Tbilisi in August). Did I perhaps to some degree take the desired for the reality and overestimate the influence of these forces? Perhaps. In any event the tough position that Shevardnadze is demonstrating with respect to Abkhazia since he received a convincing mandate in the elections does not jibe with his moderate approach to the Ossetian situation and does not inspire optimism. However, even the Abkhaz leadership is still maintaining a no less tough approach. The storming of Gagra, of course, did not help in the

search for compromise. But in any event, crude pressure from Russia may only weaken the position of the supporters of a compromise solution and strengthen extremists on both sides. We must not hack about with a rabble-rousing axe where what is needed is the most delicate of touches with a scalpel in a practiced hand.

[Gasparyan] This kind of approach and these kinds of measures, however, are less popular among the peoples of the North Caucasus. Is there not a risk of great loss here? Is it after all that East is East?

[Sheynis] I think that many of the actions that have been taken here, in particular the arrest of Shanibov and his subsequent mysterious escape, have only worsened the situation. Clumsy measures have only raised to Olympian heights the previously little-known Musa Shanibov. I think that in the North Caucasus it is also necessary to find moderate, calm forces that are against making things worse. We have become too accustomed to a black-and-white separation—here are enemies, here are friends. Or, these are communists and those are democrats. In the North Caucasus the situation is considerably more complicated than in Central Russia. It is essential to understand this. Remember that among the Russian democrats, too, there have been people who not so long ago were rejoicing about the "overthrow of the regime of the party autocracy," as they used to say, in Chechen-Ingushetia, and the arrival of Dudayev. Meanwhile, with respect to the reconciliation in Ossetia we are obliged largely to the balanced and reconciliatory position of the leadership in North Ossetia headed by A.Kh. Galazov, who has no kind of "democratic" genesis at all.

I think that it is essential to be oriented on the forces of peace as a counterweight to the party of war that exists both in Georgia and in the North Caucasus republics irrespective of the genesis of those forces and irrespective of the ideological apparel in which they are clothed. And in this sense Russia's position should be quite firm and principled. We defend human rights no matter which side may violate them. We do not believe that these rights are a state's internal affair, just as certain Georgian politicians, and not only Georgian politicians, never tire of stating that all one has to do is look at Estonia and Latvia. We must live and act in accordance with the generally recognized principles of international law.

[Gasparyan] How, in your opinion, should the problem of the status of South Ossetia be resolved?

[Sheynis] The peace in South Ossetia that is maintained with the help of armed force is still extremely fragile. Provocations are possible against the peacekeeping forces. It is our assessment, based on all available information, that their withdrawal could entail renewal of the fighting on even greater scales.

We assess exceptionally highly the work of the command and the officer corps in the peacekeeping force. The activity of Colonel General G.V. Filatov and Major General P.I. Georgadze deserves the greatest respect, they proceed from a broad political vision of their mission and so far as we can judge are carrying out their functions in an

outstanding manner (unfortunately, we have not been able to meet with the commander of the Ossetian battalion, General S.N. Suanov).

At the same time the presence of the peacekeeping forces in South Ossetia, apparently for a long time, raises a number of problems and a start must be made on considering those problems urgently.

Even the prolonged presence of the troops will not be able to substitute for a political settlement. At the same time a political settlement is extremely difficult because the positions of the sides are very distant one from the other. The Georgian side does not recognize the existence of South Ossetia even as an autonomous entity within Georgia. Relying on the impressive results from the referendum, South Ossetia is insisting on secession from Georgia and unification with North Ossetia, and becoming part of Russia. The overwhelming majority of South Ossetians with whom we have spoken—deputies of the Supreme Soviet, intellectuals, peasants, refugees—do not want to hear about any compromise solution. And the attitude was exactly the same in Georgia. Both sides cite numerous facts of an historical nature interpreted in their own favor to justify their own positions.

The leadership of North Ossetia takes a middle position (restoration of South Ossetian autonomy as part of Georgia). Apparently it is precisely this position that could be a basis for compromise. Typically, while diverging from the leadership on many issues, the North Ossetian democratic opposition takes the same position in this issue. North Ossetia does exert a certain influence on the South Ossetian politicians.

Even though the road to political settlement is long and difficult, certain prerequisites do exist. One of them is that the relationship between Georgians and Ossetians has not, as it has, for example, in Karabakh, reached such a degree of bitterness that any common life for the two peoples has become impossible. This applies first and foremost to the populated points distant from the zones of fighting. But in the market in Tskhinvali, also, which has been subjected to fierce shelling, we saw Georgian vendors; seeing an Azerbaijani in Stepanakert or an Armenian in Geranboy would be totally unthinkable.

It seems to us to be very important in the long term to restore and develop various kinds of contacts at the personal level between ordinary citizens and the politicians—Ossetians and Georgians.

[Gasparyan] How may events unfold after the Georgian authorities have received legitimacy and Shevardnadze is elected chairman of the parliament by a convincing (perhaps too convincing) majority? What will happen in South Ossetia, North Ossetia, and Abkhazia?

[Sheynis] It is difficult to make predictions in such a complicated and changeable situation. I fear that victory of the supporters of Shevardnadze has not resulted in any major changes in the balance of forces in Georgia. On the other hand, the victory in Gagra should have strengthened in Abkhazia the illusion that the problem can be resolved

by force. Of course, it would be naive to expect any quick resolution of these quite deeply entrenched conflicts. Whereas in Ossetia it has been possible somehow to stabilize the situation, in Abkhazia events are unfolding according to the Karabakh scenario. There is colossal pressure from the hawks and this is making even the Ossetian settlement extremely unstable and reversible. Typically Gamsakhurdia, who is now speaking out as a critic of Shevardnadze, is essentially nothing but an imperialist politician with respect to all non-Georgian nationalities in Georgia.

Of course, the situation is very complex. The position of the Russian leadership and the Russian democrats is extremely delicate. Nevertheless, I can in conclusion formulate a number of positions that are obvious to me.

First, there are no political ends for which it would be necessary to spill the blood of Georgians, Abkhaz, Ossetians, or Russians. Moreover, the problems that have arisen from the ruins of the USSR will not be resolved by force. It is necessary to seek political compromise.

Second, problems can be resolved only in stages, untying the knots one by one. It is not realistic to count on all-embracing solutions in the foreseeable future. But the first condition is a cease-fire and separation of the warring sides.

Third, it is impossible to impose a ban on the peace where it is achieved, or to move to peace where there is a war going on without isolating politically those who threaten only total and final victory. There are many among them who are not very sincere, although there are also people who have been blinded by their experience of bitterness and the death and suffering of their nearest and dearest and the bitterness of aggrieved national sensibilities. But there are also unscrupulous political speculators who are warming their hands at the fires while they sit at a safe distance from the locus of events and earn the cheap capital of fleeting popularity in Moscow, Tbilisi and Grozny. They are the marauders who rush to snatch stolen goods from homes scorched by war.

Vladislavlev on Progress in Talks With Gaydar
934C0255B Moscow KOMSOMOLSKAYA PRAVDA
in Russian 3 Nov 92 p 1

[Interview with Aleksandr Vladislavlev, a Civic Union leader, by A. Podkopalov; place and date not given: "We Have Almost Come to an Agreement With Gaydar"—Believes Aleksandr Vladislavlev. One of the Leaders of Civic Union"]

[Text] The bloc of parties of the Civic Union (GS) is being criticized today from the right and the left. The radical democrats perceive it as an instrument of "apparatus revenge." Communists and nationalists—the second echelon of a "temporary occupation government."

Experts and political scientists, analyzing the phenomenon of the quick growth of influence of the Civic Union, as a rule, talk about three factors: support of the bloc on the part of the

director corps, a substantial "voter" base and....the old "apparat" ties of its leaders, and their "entree" into the corridors of power.

Aleksandr Vladislavlev, one of the leaders of Civic Union, categorically does not agree with such a "breakdown":

[Vladislavlev] What kind of an "entree" are you talking about? I, for example, have talked with the president only once after August of last year. I did not work in any apparat—neither in the new one nor in the old one—and I do not have any contacts with it. Well, for example, what kind of apparatchiks are Travkin and Rutskey?

As for the directors, it seems to me that it is a mistake to talk about the director corps as a certain special group and an independent political force. They are the same people as scientists, workers, and pensioners—they react in the same way to this accumulation of very difficult problems that have simultaneously befallen all of us. Like the whole country, the directors are split into three parts. There are those who were ready for the market and entered it a long time ago, before the Gaydar reforms—these are the directors of industrial giants and the monopolists of the type KamAZ and VAZ. They started the process of turning their enterprises into joint-stock companies a long time ago and have already coped with the new conditions—it is this group specifically that recently expressed its support for Gaydar at a meeting in Togliatti.

There also is the stubbornly conservative part of management that does not want to change anything—but there are not that many of them.

But a huge part of the director corps wants reforms and supports them; however, it does not know how to operate best. And it is necessary to work with them. Nothing can be resolved with decrees in this case. We are working with this group of directors, and we are defending their interests. I am categorically against the myth formed by the mass media concerning a certain monolithic-conservative director corps, about "Red industrial generals" who are impeding the reform process, and, indeed, it cannot be....

[Podkopalov] It is said that the Civic Union has the support of about 30-40 percent of the deputy corps and that the progress of the forthcoming December congress, if, of course, it is held, depends on your position in many ways....

[Vladislavlev] I generally do not see any subject for any kind of confrontation at the congress about which many are talking. There are, as I understand it, two questions. The first: An adjustment in the strategy and tactics of reform, the need for which is recognized by everyone today. Yeltsin also talked about this in a speech to parliament on 6 October. As for specific changes, then our programs—those of the Civic Union and the government—are rather close. If there are any differences, they are not a reason for confrontation.

The second question is the question of the Constitution. I think that it is too early to adopt it. At first, a number of radical amendments to the Constitution in force are

needed—such as, for example, the introduction of private property in land. These amendments will make the changes irreversible.

Thus, from our position, neither the question of the Constitution nor the question of economic reform should aggravate the situation at the congress. The government has already realized the mistakes it has made, and it is drawing conclusions.

[Podkopalov] If I understood correctly, you are conducting negotiations at the present time with Gaydar's team, in order to work out the kind of a compromise that will make it possible to neutralize the Communists and the nationalists at the congress?

[Vladislavlev] This compromise has existed a long time. Perhaps our positions are not as close today as we would like, but we believe that it is important to ensure the continuity of the process of reorganization. It is impossible, in fact, to start all over again each time. We had many meetings with Gaydar and his colleagues—these were not representative measures, but a working process. It is true that at one time these meetings resembled a dialogue between a blind man and a deaf man: Gaydar held his ground firmly and tried to implement a modular mechanism, in spite of the specific circumstances. But time has passed, and that which Gaydar is proposing today differs qualitatively from that which was proposed at the beginning....

[Podkopalov] Under your influence?

[Vladislavlev] Under the influence of common sense. Today, all responsible and qualified people think about the same. The populists do not count.

[Podkopalov] There has been talk recently about the preparation of a meeting of leaders of the Civic Union with Yeltsin to consider personnel rearrangements in the government....

[Vladislavlev] We asked the president for such a meeting. Perhaps it will be held. But the questions that are proposed for discussion are far more important than personnel rearrangements—the discussion should concern the creation in the country, with the active participation of the president, of a political mechanism for implementing reforms, and also the framework in which they are possible today.

[Podkopalov] Do you think that any kind of a compromise is possible with the national-patriotic opposition, with the FNS [National Salvation Front]?

[Vladislavlev] I will say the following on this score. Today, along with the need for economic reform, Russia is faced with one more task that is no less important—the creation of a civilized political mechanism. If there is such a mechanism, we will be able to protect democracy and the possibility of reforms.

A civilized political mechanism first of all should take the state of public opinion into account. What do we have today in society? Unfortunately, an enormous number of people who are indifferent to politics. But those who do

participate in it are divided into three groups. There are the radical democrats—those who say: "Onward and upward," and, "Today—tomorrow will be late." There is the gradually developing center—those competent and responsible people who are for reform and who take the real situation into account. And there is the third group—Communists, neo-Communists, and nationalists.

Is there any kind of a serious danger today associated with the national-patriotic front? For the present, none. Because the country really wants changes. Why "for the present"? Because the mistakes that are committed in the course of reform will push people exactly to the national-patriots.

The Civic Union was created as a centrist force to prevent this process. As a force that is able to separate the most sensible segment of the people who are grouping themselves today around the FNS. But also to attract to us the competent and responsible segment of those who today stand on populist and radical-democratic positions.

[Podkopalov] How do you assess the criticism directed at the Supreme Soviet and the calls to abolish the congress?

[Vladislavlev] It is not easy to work with the Supreme Soviet. Actually, part of the deputies are living with the old baggage. But, after all, the Supreme Soviet, in my point of view, reflects the state of public opinion; therefore, it is necessary to learn how to work with the Supreme Soviet. Not to consider public opinion in the conduct of such complex reforms is dangerous. By ignoring the Supreme Soviet, sooner or later you will run up against resistance. And, after all, the parliament today is not the same as it was two years ago. Time works and changes people. Time generally is the best medicine. But for it to work in the necessary direction—abrupt movements should not be made. And in this sense, it is a very dangerous position that has been taken by some members of the government who, possessing broad power capabilities, and being unable to exercise them in the interests of the country and the people, have begun to spin the very dangerous flywheel of confrontation in society.

[Podkopalov] At the present time, statements are resounding from the upper levels of authority about the possible introduction of direct presidential rule and a suspension of the activity of the representative organs of authority....

[Vladislavlev] I have already expressed my point of view. I think that any abrupt movements—from whichever side—are fraught with the danger of losing an opportunity for any kinds of reforms. However difficult it is today, only reasonableness, competence, and a very high standard of responsibility will make it possible to support the policy of the president and to preserve the political stability and harmony in society that are so necessary to the success of reforms.

Skokov Appointed Mediator Between Autonomous Republic, RF President

934C0231A Moscow MOSCOW NEWS in English
No 43, 25 Oct 92 p 2

[Article: "Appointment"]

[Text] Yuri Skokov, 53-year-old Secretary of the Security Council, from now on also leads the personnel of the Council of heads of the Russian Federation republics.

The Council was set up on October 15 at the meeting of former leaders of autonomies with Yeltsin. In Moscow's President-Hotel, presidents of the autonomous republics stated their complaints and listened to the instructions of Russia's President and then agreed to regular meetings.

The former radio engineer made his career in the defence industry of Krasnodar as head of the Saturn works and at the Kvant organization in Moscow. He was the second man in Silayev's government and at the same time member of the USSR parliament where he was an active supporter of Ryzhkov-style economic reforms. Yeltsin never left Skokov without his tutelage awarding him with the "honorary" title of State Counsellor or with the status of the State Council secretary with the right to vote. At the same time he headed the commission on the distribution of top officials at the Defence Ministry and the armed forces of Russia (it was abolished on September 30, 1992 by the President's decree).

Now Skokov is also mediator between the leaders of former autonomous republics and the President of Russia. As to his character, he is a commanding man and as to his calling—an administrator. The local authorities listen to him, so his new role won't demand from him a change of his image or too great an effort.

Sobchak Interviewed on Economic, Political Reforms

934C0170A St Petersburg NEVSKOYE VREMYA
in Russian 1 Oct 92 p 2

[Interview with Anatoliy Aleksandrovich Sobchak, mayor of St. Petersburg, conducted by Vyacheslav Chichin under the heading: "Everything Looks Different From the Podium": "I Have Not Lost My Qualities"]

[Text] As we promised after publishing an interview with G. V. Romanov, former Leningrad Party Obkom first secretary, conducted by A. K. Varsobin, former editor-in-chief of LENINGRADSKAYA PRAVDA (see: NEVSKOYE VREMYA, 28-29 September, Nos 189-190), we now open the floor to the city's current leader, A. A. Sobchak. His interview with the editor-in-chief of NEVSKOYE VREMYA is the latest installment in our new section "Everything Looks Different From the Podium."

Nostalgia

[Chichin] Anatoliy Aleksandrovich, let us begin by recalling our first meeting. It took place here at Smolnyy in the Chess Hall, where CPSU obkom bureau meetings were usually held. That was the first time the newly-elected USSR people's deputies saw one another. It seems that I

was the only journalist who managed to get into the meeting, and I clearly remember how right off the bat Solov'yev took you and in a sort of send-off speech began giving you instructions in regard to the congress agenda. On that occasion it was Sobchak who rather sharply put the first secretary, who had himself been spurned by the voters, in his place...

For me personally that was the moment when the changing of the guard in the city began. People who could not be controlled were the instant undoing of the obkom politicians... Do you still recall that time?

[Sobchak] Quite honestly, I do remember. That was not easy. You will recall what the atmosphere was like and how even some of the people's deputies reacted—by force of habit they rushed to the defense of Yuriy Filippovich and the obkom. Did that actually happen? It did!

We have traveled a tremendous distance since that time. Every day we liberate ourselves from that dependence, from the constant fear. You cannot do this, you cannot do that... Nowadays I often run into former party functionaries, and I can see that they, too, are breathing easier now, because they lived in a system of endless restrictions which they themselves created (and imposed on themselves as well). They were constantly being watched in every aspect of their lives; they were practically X-rayed, they were under such close scrutiny... Is that living?

[Chichin] Which life do you like better, Anatoliy Aleksandrovich? That of a professor, a deputy or the leader of the "second capital"?

[Sobchak] The professional life now seems unreachable and impossible. It was a life that was calm and free, focused on books and conversations with students. That was a wonderful life...

[Chichin] Do you think you can go back to it?

[Sobchak] Well, why not? I hope that I have not lost my professional qualities... I do give lectures, you know... To students and to business people, and when I receive honorary degrees. A different audience, but I am certain that I could go back to the law department tomorrow and start teaching my course in business law again. I was also a pretty good lawyer. I got my start as a lawyer... I always wanted to combine the roles of professor and lawyer... But that was forbidden here. In Lithuania and in Estonia my former students practiced law and taught at the same time, but I was not allowed to. If I did return to higher education now it is unlikely I would just limit myself to teaching... I would practice law as well.

[Chichin] But you have also had your life as a deputy and member of parliament...

[Sobchak] That makes me nostalgic. Quite frankly, I often miss the parliamentary podium! My three years of work in parliament were very instructive. It was then that I realized that perhaps I was cut out for that kind of work, because it was there that I succeeded in accomplishing a lot of things. Even when I recall the situations that prompted a loud and

unanimous reaction, I can see that time has passed and generally proved that I was right.

I would like to go back to parliament. If we ever have any new parliamentary elections I will definitely submit my candidacy and attempt to get back into parliamentary work.

Mayor of the Opposition—That Is Not for Me

[Chichin] What about the job of mayor? Generally speaking, how do you feel about being boss of the "second capital"?

[Sobchak] Hmm... Well, you know... Firstly, what does "boss" mean? Thus far I have not had any of the benefits of being boss. I have only experienced the position of a man who owes something to everybody... A man from whom everybody wants something. That may be the main difference between me and the previous bosses—I try to find a positive solution to all the requests I receive. Even if it is a personal, secondary or trivial matter. It seems to me that against the backdrop of a worsening situation the only points of light in the darkness are when you are able to help someone. I try to make that my unchanging rule every day.

[Chichin] Pardon the blunt question, but could you define the personality trait, deviation from which would for you personally mean that you would immediately resign as mayor? What would be the circumstances under which you would say: "I will not play on those terms."

[Sobchak] In some ways I am a very clear-cut individual. If I make a decision I follow it through all the way. No matter what happens—right now there is a struggle, resistance, going on, and our deputies are constantly rescinding their decisions, delaying and really hampering our real work—I have nonetheless taken this burden upon myself. On what terms? In any event I will fight to the end to continue Russia's democratic path of development, and only when I see that that path is no longer possible will I also find it impossible to work in any capacity within the existing power structures.

[Chichin] That is to say, the option of "mayor in opposition" is out of the question... If you go into the opposition, then you are not mayor anymore? Is that how it is?

[Sobchak] I have no intention of going into the opposition. People often ask how I can hold office yet still criticize the president and the government. But that is only natural. That is a characteristic of democratic government, the possibility of such criticism. It is our Bolshevik mentality which tells us not to criticize those in charge, yet around the world heads of local governments are constantly criticizing the central government, because the solutions to any problems, particularly financial ones, always come about through struggle. Accord through struggle. The center criticizes the local level, and local governments criticize the center; that is natural.

But there is also another kind of criticism, one which sets me apart from the other administration chiefs. I always consider myself a politician as well as a mayor. Therefore I quite frequently address issues which affect all of Russia.

I am in fact an unusual mayor—how many people in Russia have been elected by a population as large as that of this city? Therefore I believe it is important to speak on their behalf when serious political issues arise.

'We Simply Hated Him'

[Chichin] Many people have spoken "on behalf of the working people in the cradle of three revolutions," from outstanding production workers to first secretaries. One of them—G. V. Romanov—has finally granted his first lengthy interview after a long period of silence. I am certain that NEVSKOYE VREMYA readers had varying reactions to that interview. What can you tell us about Grigoriy Vasilyevich? What stands out in your mind about the era of his administration?

[Sobchak] Coldness and indifference. He was a machine-like human being. Tolstikov, for instance, is remembered positively. That is because you could go to him and he would listen to you. I recall Yuriy Filippovich with the same feeling. But [Romanov] was a man-machine. I am not exaggerating when I say that in the intellectual circles in higher education where I was at the time we simply hated him. It was not just that we did not love him or respect him—we hated him. Hated him as a narrow, cold individual who did many bad things in the cultural realm. I recall how he would ban movies that were being shown all over the country; Leningrad was the only place they did not play. Or shows. Friends from the theatrical scene have told me how he behaved boorishly when he came to the theater, starting arguments and yelling at directors. The same thing happened at exhibitions: he could have a picture taken down because meat was drawn too bloodily...

He was a person who is not remembered fondly. He said in that interview that he worked a lot and that he does not even have a dacha... Yes, he did in fact work a lot, but it was the way a machine works. The important thing is what he did to people. I remember how he had the attics and porches removed from people's garden houses if they even slightly exceeded the permissible size... I remember how he fired party officials who dared build themselves dachas.

And now... He has only himself to blame... He is a person who was prisoner to his own dogmas, and who is still that way. He was not alive himself, and he did not let others live. More precisely, he did not let others do anything. He had a state-owned dacha, and he thought he would get to keep it for life. Now, you see, he has no dacha... I think with horror what might have happened if he, as one of the leading potential candidates for the post of general secretary, had won. Grishin, Romanov or Gorbachev. Do you remember how skillfully Mikhail Sergeyevich knocked him out of the running? If he had come to power we would have had the same regime for another generation, and in an even harsher form. He would have launched repressive campaigns. I am certain of that...

How Would You Like To Be Remembered?

[Chichin] And how would you like the people of the city to remember you, Anatoliy Aleksandrovich?

[Sobchak] Probably for my tolerance and desire to support any new undertaking. But that is a hard question to answer; only time will tell...

You know, from outside things are clearer. For instance, I find it pleasant when I am visited by politicians or businessmen I know from the West, and they say that we have had some serious changes, or that the city is changing before their eyes. "What changes exactly?" I ask. "It is cleaner now, and there are new stores and restaurants." Incidentally, I myself quite frequently shop in Moscow stores (I find that easier—every time I go into a store here it turns into a public meeting) and I am happy to see that things are better here. Better supplies, cleaner streets. Today St. Petersburg may be one of the cleanest cities in Russia.

[Chichin] Good things are noticed when people live like human beings or at least with a minimum of stability. The same job, the same level of prosperity, the same stores and the same city transportation, with schedules calculated down to the minute... But here? People are losing their jobs, they do not have enough money even to buy the right kind of food, and more and more city residents are buying patched-up old things at flea markets, but not in the new brand-name stores... I agree that there are more and more stores like that, and they certainly do something for the look of the city, but what except rage can their unattainable abundance evoke among the hungry lumpenproletariat? And that is a group—maybe because of the reforms, maybe in spite of them—that is growing at a disastrous rate.

Are you not afraid of this sharp polarization of society? In my opinion there is nothing more dangerous to Russia than this transformation of a formerly mute society into a free-roaming herd that is, if you will pardon the expression, mooing hungrily. Is there nothing we can do to slow down this process?

[Sobchak] The economic situation continues to worsen. And it will continue to worsen until we realize that people are not keeping pace with the reforms, are not able to get adjusted to a new level of prices and to new economic relations. I feel that this was one of the government's principal mistakes, i.e. not taking this factor into account. To take the special price situation that has existed here for decades and reestablish a normal correlation of prices in such huge country is impossible in a matter of months or in a year. We are merely provoking a new kind of price anarchy. And that is already happening. Therefore the state must take control with a firm hand and regulate prices as it releases them. That is my position.

As an economist and a jurist I have some understanding of this, and I can see the entire mechanism of it. And not just at the slogan level. I am using the levers of power that I possess here. I get criticized for doing that; everyone pins the blame for everything on me. I am well aware that that comes with the job. But few people are aware how much effort it takes to control rates and rents and the cost of municipal services. It is our budget, not the Russian budget, that has borne the brunt of price liberalization. I do not know how we could get along if at the end of last

year (and I predicted what the real jump in prices would be, not the rise by a factor of two or three promised by Yeltsin) we had not had a surplus of R2.1 billion [rubles]. This was the first time that at year's end everybody did not buy "pianos disguised as potatoes." I held that money back on purpose, and that allowed us to survive in January, February and March—until money began to come in from the European Community. Then we began selling the Western aid, getting money and paying people compensation. We were able to do that! No matter what people may say about me, I feel that that was last year's greatest accomplishment.

[Chichin] And what can we expect this winter, a vegetative state? Or are you counting on something else?

[Sobchak] We will not go back to ration cards—those are gone for good, thank God. We have proposals and contracts. If with government assistance we are able to realize a number of other projects, then we will be able to achieve normal supply, where a person can buy whatever he can in the store... whatever he wants. Even now we are supplying the city much better than we did last year. And if our neighbors were not hindering us... some goods are still flowing into the Baltic republics in excessive amounts. Gasoline, for example. Tver and Ivanovo do not have that problem, even though they receive less gasoline than we do. Incidentally, a great deal of agricultural produce is also going to the Baltic republics...

[Chichin] Is that really the reason the stores are so bare? Instead of fall's abundance all one finds are a few sorts of rotten produce.

[Sobchak] Today there is a very simple explanation for that. There are enough goods. The problem lies elsewhere. All the stores have already submitted privatization applications. And all of them are trying to drive down prices, because a majority of stores are being bought by their own employees. They are the ones who are trying to hold turnover to a minimum. That is the flip side of privatization. We are aware of this and are arguing about what we should do. Right now we want to counter this tendency by establishing a brand-name trade network. Take our dairy plants, for example. They have highly skilled employees who could supply the city with all the dairy products it needs, and at a lower price. Especially if they could sell them in their own stores, where prices are 10-15 percent lower. Why? Because they manufacture the products today, sell them today, and tomorrow they put the money back into their business. They profit by speeding up the cash flow. But if products are shipped to the trade network one has to wait while they are sold and while the money goes through the bank... So let's give them a chance to have their own brand-name stores in every "bedroom rayon." But the city soviet is preventing that.

Minus Bureaucratization of the Whole Country

[Chichin] I get the impression that the interests of the city authorities and citizens lie in different areas. We used to have "servants of the people," now we have the people's elected officials and city hall, but is there much difference?

It seems to me that the size of the St. Petersburg bureaucratic apparatus has already surpassed the Leningrad CPSU obkom, gorkom and raykoms and the rayon and city soviet ispolkoms put together. What is your view of this problem?

[Sobchak] That is not quite true, but unfortunately it is close to the truth. Recently we have seen a sharp increase in expenditures for administrative organs at the soviet's expense. The soviet has grown... Previously the city soviet had virtually no expenses, because it was created only for show. Today we are keeping up 400 deputies, and they are surrounded by a whole system of committees, aides and so on.

[Chichin] What about city hall? Is it far behind?

[Sobchak] For city hall the maximum permissible number of personnel is the ispolkom circa 1989, and we do not exceed that level. Yet the city soviet has reached virtually the same ceiling, both in terms of number of personnel and expenditures. And that was something that did not exist in the past. Thus the soviet has in terms of expenditures essentially taken the place of the CPSU obkom. So unfortunately the dissolution of party organs did not produce any real savings.

[Chichin] Bureaucratization of the entire country is perhaps the only thing we will not be able to change...

[Sobchak] It is a colossal problem. There is one solution—and I have said this many times—and that is that we must adopt a new constitution which will reject the soviet-based system and create genuinely democratic municipal administrative organs and a parliament. In St. Petersburg, for instance, the municipal council should be no larger than 40-50 people. Let each deputy have two aides, but that will still be less than the approximately 600 who are currently on staff.

Why is it that nowadays it is often the soviet that interferes with our work and slows things down? Because the deputies do not know what they should be working on... So they run around looking for something to do. Aha, they hear that somewhere I gave a speech and expressed support for the idea of moving the interparliamentary assembly to St. Petersburg. Immediately the deputies start muttering, seeing some sort of machinations in that, and they adopt some decisions. Yet all I was doing was expressing my personal opinion. But in order to create the illusion of struggle and the illusion of being busy, deputies come forward to represent a number of specific interests—these are the ones who give lectures at the Northwestern Center, earning money on the side. And I do not say that the Northwestern Center, which is headed by people like Teplov, Skoybed and company, should be abolished. But they and the CIS's interparliamentary assembly are two very different things. They could give each other office space, and they could work there. Otherwise, you see, they will be claiming the Tauride Palace. Their bustling about is all the more inappropriate because matters pertaining to the Tauride Palace will be decided by the Supreme Soviet and the president, not by me.

[Chichin] Let us return to the thing that stands between you and your constituents, i.e. the bureaucratic apparatus. I can say on good authority that not a week goes by without emerging entrepreneurs, both young and not-so-young, showing up at our editorial offices over the same thing: wanting to know if our newspaper can help them solve some problem or other which to them seems important to the city. Maybe 99 percent of them are just out to make a profit for themselves. But why come to the newspapers? They are well aware that there is no getting around Smolnyy, and that eventually they will have to apply to your bureaucrats. Their explanation is simple: those just starting out simply do not have enough money to pay the bribes your officials demand. Are all those people in a conspiracy to slander you?

[Sobchak] Who are they talking about? I am absolutely certain of the honesty of all my deputies, and I am certain of the honesty of very many officials whom I know and have checked out. Of course I cannot vouch for everyone. Bribes are usually paid at places where actions are implemented. As for the rank and file, in those cases when people delay decisions or invent various excuses, I punish those people and try to get rid of them. I have means of checking out people like that, and maybe even sending them to jail.

Travel, Travel...

[Chichin] Anatoliy Aleksandrovich, there has probably never been a leader in the history of our city who has traveled abroad as much as you. How do you explain that?

[Sobchak] There are several aspects to that which unfortunately not everyone stops to consider.

Firstly, for decades no normal people were ever seen abroad as representatives of our country. Therefore now it is very important that the intellectual circles that define public opinion in the West see new people from Russia with whom they can talk and argue, people who are as well-educated as they and perhaps better. Creation of a new image for our country and the people who represent it is very important. That should be kept in mind when people reproach the democrats and the new government's representatives for traveling abroad too much.

I could be blamed if I were doing anything to keep others from traveling abroad. But I am in fact doing everything I can to ensure that as many people as possible travel in foreign countries. When I promised that gold medalists would go, they all went and visited six countries. And I will keep on doing that. Next year not only will all the best schoolchildren go, some will also go to study in Western universities, and we will get those young people back five years from now.

Secondly, I very often go abroad to work on our city's commercial problems. Right now all my trips are devoted to one thing: ensuring continuation of the EC food program this winter. Every trip yields concrete solutions and concrete results. For example, on 2 October I will travel to Poland with Gaydar to sign a direct treaty between the governments of Russia and Poland concerning direct

supply and cultural cooperation between the Baltic regions, Poland and St. Petersburg. Gaydar called and told me that we will take with us a prepared text of a report. Incidentally, both I and Gaydar always travel on the weekend, over Friday, Saturday and Sunday. And, quite frankly, when I leave my spirit is troubled.

I want to say that I never travel at the invitation of commercial structures, only when invited by state or municipal ones. Therefore there are trips of a representative nature which I simply cannot get out of, such as sister-city trips and things like that. But there are not many such trips.

Finally, there is another kind of trip. There are usually three to five of them per year, and that is when I travel as a scientist instead of in my capacity as mayor. For instance, on 24-25 October I will be giving a lecture at the Sorbonne. They have a special lecture series entitled "Leading Politicians on World Futures." I am going there as a jurist and a scientist, and the topic of my lecture will be "Fundamentals of a Democratic Liberal Constitution." I will be talking about Europe in general, not just about Russia, about the development of constitutionalism and democracy. Then in November I will be in Genoa to receive a doctoral degree and I will give a lecture entitled "The Liberal Idea in Russia: Past and Present." That means the idea of liberalism in legislation and in state structures, the philosophical and political idea that focuses on the individual. It is a lie to say that such a thing has never existed in Russia. There was the *zemstvo*, there were liberal institutions, and there were jury trials. That should not be forgotten, and I blame myself for never having given a lecture like that at our university. But I will...

So I always go on those trips at my own expense and put in for official leave. I get paid either by the publishers of my books (my third is now being published abroad) or a university.

Those are my trips. Those are the purposes of my trips. I do not see anything wrong with that. And I do not intend to justify myself to anyone. One more thing I would like to say about these trips: when I am there I have to work so hard that I am more tired then when I am here. One example: in 1989, when I was elected to parliament, I visited Paris three times, but I have not been inside a single Paris museum yet. My wife nags me about that and says that I am turning into one of those members of the *nomenklatura* who is just not interested in museums. I would be happy to visit the museum of the Impressionists or the Louvre, but every minute is scheduled...

[Chichin] Since you brought up your upcoming business trip with Gaydar, would you agree to share with us your personal impressions of our Russian leaders? How do you feel about Gaydar, Yeltsin and Khasbulatov?

[Sobchak] Well, today Gorbachev could give an assessment of any of us—that is his right (and we can do the same with regard to him). But I do not like mutual assessments of politically active individuals. Let each

person talk about himself. Best of all, let history judge. I can only say that I have normal relations with all the individuals you mentioned.

A Dike for One, and a Port for Another?

[Chichin] Then let us get back to those who have already departed the political scene. Whether you like it or not, the infamous dike has firmly connected your name with that of Romanov. Now we have the plan for a seaport in Ust-Luga... Will it become "Sobchak's dike"?

[Sobchak] As for the dike, that is painful; that was a crime. Not because of the idea itself, but because of the methods by which it was implemented—in an unskilled and stupid manner. The worst option was selected, shutting off the gulf. Unfortunately even now no alternative plan has been put forward to eliminate the risk. All this noise by deputies along the lines of "tear down the dike" is frivolous. We need a means of redoing what already exists. I am not a specialist, but I have talked about the dike a great deal, and to me the most convincing proposal seems to be to make as many openings in the body of the dike as possible to let the water pass through.

On to the Ust-Luga Seaport. A government plan to expand our port, renovate it and create a series of new ports is currently being drawn up. That was our idea. While it is still under development all sorts of con artists and sharp operators are already trying to reap a profit off of it. Businessmen have appeared and loudly declared that they are prepared to build this port. But it is no simple matter. All the future construction sites must be worked up very carefully from various standpoints, primarily economic ones. There are several such sites: a port could be built on the dike, in Lomonosov, at Kronshtadt, in Vysotsk or in Primorsk, or the Port of Vyborg could be expanded... As for Ust-Luga, it is a wonderful location for a port, but there are two things there that raise serious problems.

The first is that just before the war, in 1940, a military port was built there. It was later blown up. On land and in the water there are numerous remnants of the demolished facility, and it will take a long time to clear those away.

The second is that the region was affected by Chernobyl, and has elevated radiation levels. If a port is built there as-yet-uncalculated expenditures will be required to decontaminate the forests and the soil.

I do not wish to repeat the dike episode, therefore I am sticking with a well-balanced and well-founded approach to the new port project. Everything is still in the design stage: we do not yet have a plan or a decision. This is just the beginning...

[Chichin] Anatoliy Aleksandrovich, what, in your opinion, is of greatest concern to the average citizen of our city today?

[Sobchak] Uncertainty. That concerns the average citizen and everyone else. What can we expect tomorrow...?

I would like to conclude the interview with that question to the mayor, because there are countless alternative views of that tomorrow, ranging from apocalyptic to wonderful. Only

God knows what will really happen. Sobchak does have opinions on many things, but he is not afraid to take responsibility for his words and his actions. Since they come from a man who is clearly out of the ordinary, that pays off and comes back to him in added measures. He clearly is accustomed to no less, nor would he want to be...

(P.S. At Anatoliy Aleksandrovich's request the honorarium for this interview will be donated to the St. Petersburg Revitalization Fund.)

Problems of Mirzayanov's Right to Defense

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Morning Edition p 2

[Article by Andrey Illesh and Valeriy Rudnev, IZVESTIYA: "Selling the Motherland' Very Secretly: In the Vil Mirzayanov Case, State Security Investigators Continue To Ignore the Law and the Procurator's Order"]

[Text] On 5 November representatives of the Russian Ministry of Security [MBR] finally held a news conference, promised since last week, regarding the case of Vil Mirzayanov, accused by the MBR of divulging state secrets. No one from the MBR's investigative department was present at the meeting with journalists. Apparently this, and the shroud of secrecy around the case, did not permit the Chekists to explain to us the substance of the charges filed against V. Mirzayanov and the public danger in the scientist's courageous action.

The other question—regarding the illegality of the scientist's arrest—saved by journalists for the generals and colonels, was no longer current. Two days earlier Aleksandr Shchanin, people's judge of Moscow's Kalininskiy Rayon, not intimidated by a "high" sanction for the arrest (issued by First Deputy Procurator General Ivan Zemlyanushin) and the signatures of high officials of the MBRF [Ministry of Security of the Russian Federation], released V. Mirzayanov from detention (IZVESTIYA No. 240). This has not changed the substance of the case regarding divulging state secrets, however. It appears that all that has happened has only brought into sharper focus the problem of our right to defense. From this point of view the news conference came at just the right time.

...The problem of defense for an accused is an old one. We started to talk about it openly for the first time last year, after criminal proceedings with respect to the state coup attempt were initiated. At the time the investigative organs, acting in the old traditions of "socialist legality," attempted to keep the attorneys selected by the accused themselves from participating in the GKChP [State Committee on the State of Emergency] case. In doing so they referred to the USSR Council of Ministers decree on protection of state secrets. This decree, by the way, is secret, and it appears that it cannot be quoted. Therefore, in order for us not to end up in Lefortovo, we will relate it in "our own words." The entire ideology of definition and volume of state secrets, as well as the system of its protection and combating the violators of state secrecy, was the province of the USSR KGB and the local state security organs subordinate to it. On these matters the

Chekists could issue mandatory directives to all state organs and officials. All—including procurators and judges. As to attorneys, they were treated unceremoniously: undesirables simply were not cleared for sensitive cases (in the past such a condition on the part of the KGB was carried out unquestioningly). To those that were acceptable and loyal, the organs issued special clearance. It was this special clearance that was demanded of the venerable attorneys by the investigators in the GKChP case. Not all of them had such a document, of course. They began writing complaints to the procurator general, but to no avail. Finally the attorneys—particularly Henry Reznik, who was representing Yuriy Plekhanov—turned to journalists for help. The newspapers raised a ruckus, and started to write about such restrictions not being envisaged by the law. In short, at the time the investigators and their bosses caved in: They allowed H. Reznik and his obstinate colleagues to pursue defense. It appeared that this precedent would find a solid place in investigative practice. That was not the case, though.

Today there is no KGB or USSR Council of Ministers. But their cause lives on! And the Council of Ministers secret decree is in effect! It is the one the Russian Chekists referred to during the news conference on V. Mirzayanov's case as an explanation for their refusal to clear for representation Attorney Aleksandr Asnis, engaged by the wife of the accused.

The attorney protested every way he could. He went all the way up to top officials of the Office of the Procurator General and received support there. At least on the surface. Leonid Syukasev, chief of the administration for overseeing compliance with the laws on federal security and interethnic relations, pointed out in his letter addressed to Sergey Balashov, chief of the MBRF's investigative department, that there were no legal grounds to deny Attorney A. Asnis representation of V. Mirzayanov. As to secret and top secret information contained in the case, the procurator advises that the attorney sign a non-disclosure agreement regarding the data of the preliminary investigation.

A. Asnis is willing to sign such an agreement (it is envisaged by the Criminal Process Code). But the Chekist investigator Viktor Shkarin demands a different kind of agreement, not envisaged by the law—on nondisclosure of state secrets. What secrets?—asks the attorney. You will find out when you sign the agreement, replies the investigator.

And while they have this ongoing theoretical debate, the accused, V. Mirzayanov, is practically defenseless. Actually, attorneys have been sent to him. The other kind—with special clearance. According to the accused they were of no help at all, and offered no useful advice.

"At first I was kept in a solitary cell," said V. Mirzayanov, "with no one to consult. Then I declared a hunger strike. No reaction! The attorney brought by the investigator only told me one thing—that he is former military. As to what I am to do, not a word. I refused such an attorney. They brought another one, who looked like a twin of the other...

"I was transferred to a common cell, and this is what saved me. First, my cellmates recommended that I stop the hunger strike because I would be fed artificially. Which is dangerous. Second, they advised me to write a complaint to the court regarding unlawful arrest. And to file it not through the state security investigator (he may cheat) but rather through the investigative detention facility administration—this way it is more reliable. I did everything my cellmates advised. And as you see—I am free. Please, make sure that you mention one of my saviors, Aleksandr Yavitskiy. He needs help, too. It is a strange case: He was convicted in Belarus, and is in jail in Moscow. And the charge is something many people do outside prison—hard currency operations."

...Aleksandr Asnis still is unable to help Vil Mirzayanov despite the contract on legal representation they signed. Judging by the Chekists' position, they have no intention of allowing this kind of attorney into the case. Despite the procuracy directive.

What remains is a step of last resort—to transfer V. Mirzayanov's case to the procuracy for further unprejudiced investigation. The law permits it. A. Asnis and V. Mirzayanov are asking the procurator general to do this. But will the Chekists let the case on divulging state secrets out of their hands?...

Officers Union Head Dismissal Questioned

934C0260A Moscow LITERATURNAYA GAZETA
in Russian No 45, 4 Nov 92 p 2

[Unattributed report: "A Dissident? Part With Your Uniform!—the Chairman of the Russian Officers Union Is Being Discharged From the Army"]

[Text] "Today may be my last day in uniform," Colonel Stanislav Terekhov, the chairman of that same Russian Officers Union that joined the National Salvation Front [NSF], said last Sunday.

He was called to the chief of personnel of the former Military-Political Academy—these days the Academy of the Humanities—where he teaches law, and informed: "You are going to be discharged from the Armed Forces. The documents are on Minister Grachev's desk...." "On what grounds?" "For personal lack of discipline." "But I have served for 20 years, and I have never been disciplined; on the contrary, I have more than 50 commendations, including some from the minister of defense." Personnel gave it a thought, then summoned Terekhov again: "You are being discharged for noncompliance with the minister of defense's order forbidding military servicemen to engage in public, political, and commercial activities."

They do not show any such order to Terekhov, though. They ask him to "take their word for it." And what about the fact that his Officers Union was officially registered with the Ministry of Justice of Russia in February?

"If I express the position and the point of view of our organization, this does not mean I am engaging in anticonstitutional—let alone illegal—activities," says the military

jurist. "They have to prove it, and only then discharge me. Otherwise, it is a tactics from the stagnation era."

LITERATURNAYA GAZETA, true to its principle of providing a free-for-all forum, offered Terekhov to express his opinion:

Army and Politics

[Terekhov] The minister of defense maintains that the "Army is outside of politics," but at the same time he himself is actively engaged in these same politics. The latest example: his statement that the Army is "on the president's side." That is, if the congress takes place, Grachev's hint is that we, the Army, are on the side of executive power. Then what about the congress as the supreme legislative organ; what about the Supreme Soviet? Does it mean that the Army is not on their side? It is, after all, also on the side of the Constitution, the law. That is, the minister himself involves the Army in politics, thereby making a point that at this time in our country, it objectively cannot exist outside of politics.

What about his, Terekhov's, remarks that "at the third stage of the NSF, the use of force cannot be precluded?"

[Terekhov] What I said was somewhat different. The first stage: The NSF acquires a clear structure. The second stage: Local structures are established and interaction set up. The third: The NSF puts forward its program and proposals. If at that stage we come under pressure, firings—as I am being discharged now, for instance; if—and this is not too hard to forecast—direct presidential rule is introduced, and arrests and interments start, then the action may beget counteraction. But the initial use of force will come from the other side. I am beginning to see it personally in my own example....

FROM THE EDITORS. Terekhov's opinion regarding the National Salvation Front is his personal business. But is his discharge legal?

One more point of view on the presidential edict is presented on page 10 in the article by member of the Russian Supreme Soviet Sergey Kovalev.

Intelligence Archive Sale to West Called a Scandal

934C0255A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 3 Nov 92 p 4

[Interview with Nikolay Arzhannikov, deputy chairman of the committee of the Supreme Soviet of Russia on human rights and a member of the commission of the Russian parliament on monitoring the formation of organs of state security and law enforcement organs, by S. Drozdov; place and date not given: "A Scandal—Foreign Intelligence Service Sells Secret Archives"]

[Text] The Foreign Intelligence Service, the top secret department under the management of Academician Yevgeniy Primakov, which was detached from the former structure of the KGB and has acquired independence, is engaged in commerce. This was encountered by Nikolay Arzhannikov, deputy chairman of the Supreme Soviet of

Russia on human rights and a member of the commission of the Russian parliament on monitoring the formation of organs of state security and of law enforcement organs.

[Arzhannikov] I was working along two lines: commercialization of the Foreign Intelligence Service and the violation of human rights. These two lines suddenly intersected at one point. I asked for materials on foreign operations, in particular, on the Grushnovich case, the leader of NTS [National Labor Union], who was killed in Berlin, but I was not given the materials on the grounds that they reveal intelligence forms and methods. But it is precisely certain methods of intelligence work that interest us—we were supposed to verify that special intelligence is not killing anyone now.

[Drozdov] That is, you did not get to see the documents?

[Arzhannikov] It was explained to me that only operational employees engaged in this subject have access; then I asked to be given a list from the case that shows the names of those who became familiar with the case (this is the procedure of work with secret documents). I found the name of Yuriy Kobaladze on this list, who, being a manager of the FIS [Foreign Intelligence Service] news service, does not engage in operational work. After this, I thought that I had a right to come to the conclusion that I was not allowed to see the documents for an entirely different reason.

[Drozdov] What kind?

[Arzhannikov] The archives of the Foreign Intelligence Service are earmarked for sale.

[Drozdov] ?

[Arzhannikov] A joint government-parliament commission has been created which is supposed to define the principle of work with archival documents: On which ones to retain the "secret" stamp, and which ones to declassify. But until the commission makes a determination, and as long as there is no law on archives, the proprietor of the archival documents can act on them at his own discretion. The management of the FIS is examining its archives and is determining what documents would do great damage to the state if disclosed and, instead of transferring them to the unclassified archives of Rudolf Pikhoy, it is using them for commercial purposes.

[Drozdov] But does the FIS management really have the right to dispose of archives independently, even if they are its own?

[Arzhannikov] We immediately disagreed with Evgeniy Primakov on this question. Primakov thinks that he is the proprietor of the archives and that he has the right to dispose of them. But I proceed on the basis that the archives are state property and national history. The FIS, however, has decided to engage in commerce with our national property.

[Drozdov] In what way will the archives be sold?

[Arzhannikov] The Foreign Intelligence Service plans to conclude a contract with the American Crown publishing

house, which is an affiliate of the major publishing firm of Random House, with the Association of Intelligence Veterans [AVR] as a figurehead. According to this contract, the FIS will transmit a copy of archival materials for familiarization, for the purpose of publishing a series of books. The themes, by the way, are very interesting: "The Cuban Missile Crisis," "The Intelligence Network in Great Britain," "The History of Soviet Intelligence Operations in the United States," "Berlin: The U.S.-USSR Confrontation in the Years 1946-1990," and "The Trotsky Affair."

The scheme is simple. An agreement will be concluded first on mutual assistance and cooperation between the association as a public organization and the FIS as a state organization. And then the Association of Intelligence Veterans will conclude a contract with the Crown publishing house. Thus, it is as if the FIS is not involved. But the association guarantees that everything that is written will be corroborated in the archives.

[Drozdov] But who will be the authors of the books, which will no doubt become bestsellers?

[Arzhannikov] That is being held in great secrecy, although it is said that "the circle of authors has not been determined yet." The authors are also not indicated in the contract, because the publisher is not concerned about who the authors will be; he is interested in the documents themselves. Any one of us can write memoirs, but who would buy them? But there is no doubt that the archives will be bought up. The archival materials have value in themselves. However, it is obvious that the contract is being arranged for "specific people": There is too much income to permit some outsider to make money.

[Drozdov] Is the contract already concluded?

[Arzhannikov] Not yet, I hope, but it could be concluded today already. I know that the contract is completely ready. All it lacks is one signature, which Yuriy Kobaladze is supposed to supply. However strange it may seem, the association authorized him specifically to conduct all of the negotiations and to sign the contract. It seems strange to me that Kobaladze, who is in government service, is simultaneously an intermediary in a commercial transaction. I especially fail to understand why on instructions of a public organization he flies to New York as an active employee with pertinent financing and at public cost.

If, nonetheless, the contract is concluded, it will hardly be possible to annul it. It states that mutual claims that arise will be settled in accordance with the legislation of the state of New York, but the Supreme Court of Russia says that not one of our courts will accept such an action for review, inasmuch as no one in our country knows the full extent of this legislation. Thus, it is useless even to try it. However, Russia will not always be poor, and when this period passes, it will probably be embarrassing for those who bought up stolen goods. This is very reminiscent of pilaging.

[Drozdov] It turns out that Kobaladze is a person concerned in this transaction?

[Arzhannikov] I cannot say with certainty that Kobaladze is one of the authors. Kobaladze operates on Primakov's personal instructions, but there are no documents that corroborate this. Everything is oral, and it is difficult to find fault.

The leadership of the association has a very vague idea about the essence of the case. They only know that a certain percentage will be made from the transaction. I think, not more than 10. But the honorarium will be received not by the association, and even not by the Foreign Intelligence Service, but specifically by several persons. The contract states directly that payments will be transmitted to each author to a separate account.

But the question arises why some several persons have the right to trade in national property. The old arrangement is at work—you have the use of what you safeguard. Incidentally, in a conversation with me, Primakov denied that he is among these elected

[Drozdov] But, nonetheless, what is the honorarium?

[Arzhannikov] The advance amounts to \$1.875 million. For each book—\$375,000, and each author will receive \$225,000. The advance will be paid on the fourteenth day after the contract is signed.

[Drozdov] What are the conditions of the contract?

[Arzhannikov] The association guarantees that it is the sole owner of the copyright, and that the materials that are presented were never published anywhere before. The author is presented with the necessary documentary materials in sufficient volume and the exclusive right to use the materials during the course of six months after the first English-language publication of each work.

Further, the association grants Crown worldwide publication rights with respect to the published works, including audio and electronic rights, with the exception of publication in three languages: Russian, German, and Japanese. (Separate contracts will be concluded with the Germans and the Japanese.)

Why does such a contract attract Crown? Because at the time the books will be in preparation, and for half a year after publication, no one will have access to this material. In acquiring a monopoly right to the archives in this way, Crown is not paying just for the books, but for the exclusives.

The agreement states that the FIS is the proprietor and controls all rights to the documentary materials of the First Main Directorate of the former KGB of the USSR that are stored in the archives. But Primakov did not kill Trotsky, and he has no relationship to this affair, just like all of the other employees of the FIS today!

I asked several times to be shown the document, and it was given to me very reluctantly and with the removal of financial questions. Moreover, I was compelled to sign a pledge about not publishing a state secret. Where is the state secret here? Only the fact that the state is selling...

* * *

Thus, the Foreign Intelligence Service has begun to work in the publishing business. In addition, we learned that recently some small enterprise was established under the FIS, and, possibly, not the first, and not the only one. The strangeness of this fact is not so much that intelligence is developing commercial activity (we are already tired of pondering such contradictions), but also that an FIS installation in a rather picturesque spot in Moscow has been transferred to this small enterprise, that the FIS is paying the rent for it and, the main thing, that it is asking for only 10 percent of the profits. What is this, a form of philanthropy or a well-conspired method for getting rich?

What is more, a very small enterprise, in turn, organized a publishing firm that is planning to publish books based on FIS archival materials. The FIS itself seems to be on the sidelines in the situation, guarding itself with several echelons of defense in the form of a small enterprise, a joint enterprise, etc. If Academician Primakov thinks that this is in the order of things, he should declare this outright. Or is the business of intelligence also a state secret?

ECONOMIC AND SOCIAL AFFAIRS

Volkskiy, Travkin, Sobchak Comment on Possible Cabinet Shuffles

934A0185A St Petersburg *NEVSKOYE VREMYA*
in Russian 29 Sep 92 p 1

[Roundup of comment by Vadim Tyagniryadno and Viktoriya Rabotnova]

[Text]

Arkadiy Volkskiy: "Resignation Is a Voluntarily Compulsory Business"

At a meeting last Saturday with the directors of oblast enterprises, Arkadiy Volkskiy, the president of the Industrialists Union and a leader of Civic Union, made no particular effort to conceal his true intentions: the recruitment of supporters and a testing of the soil prior to a new offensive of the "constructive opposition" against the Gaydar cabinet's reform policy.

The Union manifestly intends to secure support for its initiatives primarily thanks to the dissatisfaction of the leaders of major industrial structures offended by the lack of attention on the part of Gaydar. According to Volkskiy, they are the "sole realistic force on which the government can today rely. Only they are keeping the work force of the large enterprises from taking to the streets." Criticism of the government sounded outspokenly also from the positions of the bosses of the military-industrial complex. According to Volkskiy, the Gaydar cabinet, torn by internal struggle, is not fully in command of the political and economic situation.

"We have special conditions," Volkskiy says. "No one model is suitable for us in its pure form. We cannot

unquestioningly follow the prescriptions written at Harvard University. The rapid introduction of world-average prices and a deficit-free budget is absurd."

If, on the other hand, the government continues a policy aimed at bankrupting the enterprises, Volkskiy predicts that the low point in the decline of production will be reached in October even, followed by the collapse of the system of state-owned enterprises, unemployment, and popular protests.

Volkskiy proposes that we take as the reference point not the Western, but the Chinese experience, in which state-owned enterprises exist in parallel with private business. In addition, he declared that he would exert efforts for the restoration of economic relations among countries of the former USSR and called Nazarbayev's idea concerning the creation of a confederation within the CIS framework intelligent.

At the same time, on the other hand, the Civic Union is, apparently, opposed to the immediate resignation of the government and hopes for a peaceful change of course. If the cabinet heeds the opinion of the opposition, it is true; otherwise Volkskiy will look to his lobby in parliament.

"Resignation is a voluntary matter. But the Congress of Russia meets in October," he says, "and we will adopt more radical measures."

Volkskiy emphatically rejects here all hints at his pretensions to the prime minister's chair. Volkskiy proposes for leading roles in a new government Rutskoy or Travkin. There was a mention, albeit indirect, of the name of Anatoly Sobchak—"a very intelligent person"—with whom Volkskiy, according to him, has reached complete mutual understanding.

The day before Arkadiy Volkskiy had conducted a series of confidential consultations with the mayor of the city and the most prominent representatives of the banking and industrial structures. According to him, he will leave for Moscow having won full approval for his positions.

Nikolay Travkin: "Whales Have Died in Russian Waters"

Nikolay Travkin, people's deputy of Russia and leader of the Democratic Party of Russia, confirmed that in a few days Civic Union intended to present the president and parliament with its program of an escape from the crisis and also proposals pertaining to a reorganization of the government cabinet.

In the opinion of Civic Union, it is essential to change the speed of the reforms—"otherwise we will stop breathing"—and also the concept thereof.

"The exchange rate of the ruble against the dollar continues to fall, and the budget has not been made deficit-free. How privatization is going, you can see for yourselves. The 'loop' concept, in accordance with which improvements in the economy are to be preceded by deterioration, is wrong also. People are becoming disenchanted with the reforms when they see that everything is

getting worse by the day. Thus all three of Gaydar's whales have died in Russian waters," Travkin believes.

The idea of the sale of trading enterprises at public auction, in particular, seems totally unacceptable to him. The millions which the private trader pays for his premises will be spread around the price lists, and in the end the customer will suffer. At home in Shakhovskiy Rayon, Nikolay Ilich is trying to effect the transfer of stores to the work force free of charge.

"And our prices are lower than in other districts," he stresses. "We are creating the conditions for trade to operate on the basis of turnover."

Civic Union also makes a highly skeptical evaluation of the voucherization program. Unless the vouchers are invested in the enterprises at which their owners work, Travkin says, they will provide no additional stimulus to labor.

It is no accident that Chubays is to Civic Union one of the most "objectionable" figures in the government. And Kozyrev even more, of course. The leader of the Democratic Party of Russia sees Vladimir Lukin in the post of foreign minister.

"You cannot write a program of reforms without having determined the territory on which they will be implemented. It is impermissible that the autonomies have pulled out of the game at their discretion. If constitutional accords are inoperative, force should be applied. There is no other way. Blood is being shed as it is, and we are all just sniveling. It is time, finally, to determine whether Russia exists as an integral state," Nikolay Ilich maintains.

The Union is not, by all accounts, demanding the resignation of Gaydar himself. He will remain as a symbol of the reforms. The real power, though, will most likely not be with Gaydar.

Anatoliy Sobchak: "The Reforms Cannot Be Linked Only With Gaydar"

"We did not discuss personnel shuffles in the government at the negotiations with Vol'skiy," Anatoliy Sobchak, mayor of St. Petersburg, declared at the news conference yesterday. According to the mayor, Gaydar is capable, despite the need for changes in the government, of continuing to head the cabinet, and there is no urgent need for his resignation. But, Sobchak believes, the reforms cannot be linked only with the figure of Gaydar. "If Gaydar does go," he says, "there is a ready-made premier—Grigoriy Yavlinskiy." Among other possible candidates, the mayor also named Vol'skiy. While Gaydar is in office, the "ready-made premier" is going not to Moscow, for that matter, but to St. Petersburg, at the invitation of Sobchak, who is hoping, according to him, for long and productive cooperation.

Commenting on the country's upcoming voucherization, Anatoliy Sobchak called on the government to extend the list of properties to be sold for the privatization checks and for land and residential accommodation to be included. "This would be the best option, and people would know where to invest their vouchers," Sobchak says. "But

investment funds are a 'pig in a poke.'" In addition, the mayor believes that if the vouchers are channeled into the formation of stock companies in industry, the state will lose control over it and be deprived of the opportunity to tackle social tasks. In Sobchak's opinion, it would be make more sense to sell 20-30 percent of industry for vouchers, and the rest, only for money.

Opposition Party Forms Shadow Cabinet

93US0086A Moscow NEZAVISIMAYA GAZETA
in Russian 28 Oct 92 p 3

[Article by Aydyn Mekhtiyev: "Second Congress of the Azerbaijan Popular Front: Split Possible" subtitled "Etibar Mamedov's Opposition Party Has Formed a Shadow Cabinet"]

[Text] The second congress of the Popular Front, which governs in Azerbaijan, will be held on 4 December of this year in Baku. This decision was made by a special session last Sunday of the NFA [Azerbaijan Popular Front] Majlis. The heated debate, during which there were mutual accusations from delegates of different factions, left no doubt that this skirmish will develop at the Second NFA Congress. As a result the front could split. The confrontation between the moderate wing of the NFA and the radicals is intensifying in view of the difference in approach to the front's tactics and strategy at this stage. President Elchibey, who is, as we all know, chairman of the front, has been forced to take account of the interests of these two currents in the implementation of personnel policy. This is why from time to time the president reshuffles personnel, without, more often than not, going to the trouble of an explanation of the reasons for them, what is more. The recent dismissal of Niyazi Ibragimov, the president's press spokesman and Elchibey's very close associate, which has given rise to many contradictory rumors, may serve as an example. Yet the absence of due mutual understanding among the top persons in the president's entourage is preventing Elchibey formulating and making public the program of economic and political reforms, which was promised long since. This is affording the opposition an excuse for accusing the ruling front of a reluctance to reform the deformed economy inherited from the communist regime at all. The present cabinet headed by Rakhim Guseynov is failing, by all accounts, to cope with the task of the realization of anticrisis measures. National Assembly deputies recently discussed the possibility of a fundamental reorganization of the cabinet, whereby the merger of structures of the office of the president and the government is anticipated.

It became known a few days ago that the National Independence Party (PNN), the most influential opposition party, headed by Etibar Mamedov had formed a shadow cabinet, which is functioning in parallel with the government of Rakhim Guseynov. True, Nazim Imanov, deputy chairman of the PNN, declined in conversation with your NEZAVISIMAYA GAZETA correspondent to answer the question as to who the members of the PNN shadow

cabinet would be. He declared that on 31 October the PNN would conduct a workshop, at which it would announce its economic program.

Opposition figures are criticizing the ruling front for slowness in political reforms. As we all know, upon his election to the presidency Elchibey promised to hold early parliamentary elections as soon as possible, but has failed to keep his promise. The president is now proposing consideration of the question of such elections being held merely next spring. The slowness is clearly not to the liking of the opposition and, particularly, the radicals from the PNN. Nazim Imanov, deputy chairman of the PNN, in conversation with your NEZAVISIMAYA GAZETA correspondent criticized parliament for the delay on this issue: "The Azerbaijan leadership has not even presented the final wording of the draft law on elections, but such a draft has been prepared by our party. The PNN advocates the speediest organization of parliamentary elections by party list, and the present parliament is illegitimate." To the question as to what the PNN would do in the event of parliamentary elections not taking place next spring, Imanov replied that the PNN would in this case resort to all legitimate means of pressure on the present leadership of the republic to achieve its goal.

Thus the profound intrapolitical crisis within the ruling front, which will most likely bring about the withdrawal of the leading parties from it, is considerably reducing the NFA's chances of success at the forthcoming parliamentary elections. The opposition PNN, on the other hand, is strengthening its positions both in the organizational and propaganda respects. The party's immediate tasks, according to Imanov, are to organize PNN support groups in the republic's more than 6,000 electoral precincts and also to persuade the republic's voters of the efficiency of the concept of economic and political reforms devised by the PNN.

Yavlinskiy on Economic Reform Progress

934C0202A Moscow LITERATURNAYA GAZETA
in Russian No 44 and 45, 28 Oct 92, 4 Nov 92

[Roundtable discussion with Grigoriy Yavlinskiy, leader of the Center for Economic and Political Research, at the LITERATURNAYA GAZETA editorial office, recorded by Grigoriy Tsitrinyak; date not given: "Borderline Situation"]

[No 44, 28 Oct, p 11]

[Text] Today's guest of the editorial office needs no particular introduction—he is known to everyone: He is Grigoriy Yavlinskiy, leader of the Center for Economic and Political Research (the EPltsentr)....

Yuriy Kulikov, deputy chief editor: I remember well your May interview in LITERATURNAYA GAZETA, Grigoriy Alekseyevich, in which you said that you like LITERATURNAYA GAZETA and that it influenced you in many respects in your youth. I believe that we are now experiencing your influence to some extent. This explains our invitation, and we are pleased that you accepted it.

[Yavlinskiy] Thank you for the invitation, I will try to answer your questions.

[Kulikov] For a warmup, then, the first one: Could you analyze what is happening in the country's economy? And, second: Were you suddenly to become prime minister, what would your first steps be? Simple questions... (laughter).

[Yavlinskiy] Evaluating the situation in the country is quite simple, let us begin with figures. October 1991: Inflation, 6 percent, the decline in production, 15 percent annually, exchange rate, 60 rubles [R] to the dollar. People are dreaming of reforms and are prepared to suffer. There is no opposition. The government has for six or seven months an absolutely free hand—no one can intervene; politically, these are unique conditions. This is what we started with.

October 1992: Inflation, 28 percent a month, the production slump, 25 percent annually, exchange rate, R368 to the dollar! It seems to me that many people have the feeling that they have been deceived.

For four or five months we had the Gaydar government, and in the summer it became the government under Gaydar's name because as of May there emerged an opposition, which was able to insert its people in the government, but, surprisingly, did so to the applause of the "reformers" themselves. Not a single large-scale enterprise has been converted in the year into a stock company. Land reform has not progressed one iota. There has been practically no demonopolization, and progress toward competition cannot be discerned. The opening of the economy has not been accomplished at all inasmuch as competition is lacking. There are, in addition, special questions—what is now to be done, for example, with the control apparatus? Corruption, the low level of professionalism, and all managerial procedures have been appreciably demolished. By no means the best people have crossed over from the old machinery.

This to take just the economy.

Oleg Moroz, observer: You said that at the end of last year the government did not have any opposition, but this is not true: Tough criticism began as of the first days of January. We remember well Khasbulatov's words to the effect that the government was incompetent, and Rutskoy's, that these were boys in pink pants.

[Yavlinskiy] I understand opposition differently from you. It is very exotic when the vice president or the chairman of the Supreme Soviet starts—I cannot put this any other way—to use profanity. Unpleasant, but no more. But the opposition is a force which actually compels a change of decision or the adoption of others, a halt to price liberalization, for example, or forces, instead of normal privatization, its implementation via vouchers, and could block the bankruptcy law—this is what real opposition means.

That is, Yegor Timurovich was in this sense operating under sterile conditions. He himself was free to determine to whom to listen, to whom, not. It would seem that the criterion was as follows: He made concessions to those who

could intimidate him; those of whom he was afraid, to these he gave way. Whence all these exclusive decisions and rights, pay increases and so forth. Today the situation is different—there's no getting by with trivialities. Today, the Civic Union, for example, will come along and say: Here is my program, these are my terms, these are my candidates for government. This is real opposition.

[Moroz] How do you explain the fact that Yeltsin opted for Gaydar's team, not yours, as many people were expecting?

[Yavlinskiy] We had fundamentally different views on how the reform should be undertaken and on its strategy and tactics and methods of political backing.

[Moroz] "We" and Yeltsin? Or "we" and Gaydar?

[Yavlinskiy] I would put it this way: In economics we say "Yeltsin" and mean "Gaydar," but in politics, the other way about. Clearly, the decision was made by Yeltsin, not Gaydar. But the differences were as follows.

Boris Nikolayevich and those closest to him had precise political aims, which they considered priorities and wanted to realize in any event. These were first and foremost the instantaneous (in the direct sense—in a day) disintegration, not only political but also economic, of the Union and the elimination of every conceivable coordinating economic body, the financial, credit, and monetary sphere included. Further, the comprehensive detachment of Russia from all the republics, including even those which had not at that time raised this matter, Belarus and Kazakhstan, for example. And a number of other precepts, including, naturally, the introduction of multiple restrictions on free trade and market relations with the former Union republics. For all that, the president wanted here to head the economic reform personally, and, consequently, it was seen as being swift (by the summer-fall of 1992—the first improvement!) and attractive (earn without restriction; take as many rights as you want; shorten the work day!). Such was the political mandate. The question arose: Who would undertake to implement economic reform such as to satisfy these political conditions?

My colleagues and I had a fundamentally different viewpoint: no wholesale disruptions; the question of armies and borders was one of well-prepared negotiations; the immediate commissioning of the Economic Treaty; free trade; a banking union; a reserve system; coordination of economic legislation; mutual limitation of budget deficits. And the plan of the reform itself which was proposed was different—not as swift and striking but, on the other hand, efficient.

By this time we had already prepared and 10 republics had signed (Yeltsin and Fokin included) the Economic Treaty, and a package of 20 documents pertaining to it had been drawn up. The directions of interaction with Western countries on questions of financial support for the reforms had been studied. To a direct question of whether I would consent to head the government, I publicly said "yes." But in conversations with the president's immediate associates and with the president himself I maintained categorically that, given the initial premises, about which they were

talking as political goals, there could be no successful economic reform in principle. They had to choose: either this policy or the economy.

Then a godsend: Another person came and said: "I will." That was the whole choice. He began an assault on the Economic Treaty and kicked out Yevgeniy Saburov, who had worked on it on behalf of Russia and, incidentally, at the direct bidding of Yeltsin, and had prepared the president's speech at the fifth congress, which contained the key points of a different economic policy: price and income liberalization, financial stabilization, a deficit-free budget and so forth. Thus the policy had already been officially declared.

And even after this I cannot say that offers were not made to me—they were. But there were things that were, from my viewpoint, insoluble in principle. In principle, I could cite some of them if you are interested.

A year ago I believed that undertaking the financial stabilization of a nonexistent state was impossible. This was the same as having as the goal the stabilization of the currency of, say, Atlantis, and the explanations are very simple: You cannot stabilize the ruble if there are 15 central banks, 15 parliaments and 15 governments, all using the ruble, and not a single agreement. On not a single issue.

People objected: We have all the instruments—they meant the printing press. I said: The printing press is a technical matter, in what will the lack of coordination in credit-monetary and budget policy result? For all the republics' central banks would extend credit to their own budgets—otherwise the parliaments could not because they all have a large deficit. What would you do with them? "We would not give them money." To which I replied: You know that 25 million Russians live in the republics? Just try not giving—you would see what kind of pressure would begin via them. You would be forced to give. This is the first point.

Second, there are extensive joint-labor relations. What would you do with these—abandon them, leave them without money? Without any at all? Do you want all the enterprises to close down there? But, after all, just as many would be closed in Russia also—all are "tied up" in one bundle, the threads cannot be severed here—they have, if this is the desire, to be disentangled patiently.

This is why, framing the issue this way, the task is insoluble.

I said, in addition: The business of custom houses and borders has very little to do with the market. Free trade—this is what the market is. It is this we should be striving for.

Third, what level of monopolism would we get? Three plants with us manufacture rubber, for example. It is clear—two of them are in the republics. Tomorrow you will close Russia's borders and will acquire a new monopolist—of what level?

I was told: It will all be fine—everyone will introduce his own currency. I said: A fairy tale, in the immediate future no one will introduce his own currency for the simple reason that one needs to know how to do this, especially when there are no borders and when the banking and financial and budget systems have disintegrated. And I presented the following arguments: Look at Argentina, which has undertaken monetary reform six times in 10 years—together with the IMF, with the World Bank, with all foreigners—and the reform has failed all six times. You think: Here we go!—and you will launch your money? This will not work. Subsequently, by all means, but tell me: You will launch it tomorrow? Oh, the day after tomorrow? Then until tomorrow let us live on the basis of the fact that we have a common economic space, a common space of problems. Until tomorrow, at least. And when you wish to have your own currency, we will draw up regulations whereby you will introduce it so as not to cause harm to others. And we will take another look to see whether this needs to be done or not.

There were, altogether, many such arguments. I have indicated only some of them.

There were conjectures also concerning the groundlessness of the proposed economic methods themselves, that is, the exclusively professional part of the action program of the new government, from both the theoretical viewpoint and from the standpoints of the particular features of our economy. But, first, what was said even then was certainly also perfectly sufficient for avoiding an adventure, and, second, the government had announced no programs prior to July. How were we to judge what they intended doing? The facts became clear only in the spring. We analyzed them at that time in *DIAGNOZ*.

Irma Mamaladze, observer: If, for all that, you are offered the office of prime minister in December, will you consent?

[Yavlinskiy] My reflex desire is to say "no!" But, seriously, this is, of course, a question of the political prerequisites and conditions making it possible to work efficiently and responsibly. Personal trust in a political leader and his closest associates is of decisive significance. But tell me: What is the first thing that should occur to a person if he is offered something of the sort?

[Voice] To get as far away as possible.

[Yavlinskiy] If he wishes, let him run. But if he stays, he should say: "Show me all the decisions which you have already made and which I am now required to implement." In order to have if only some notion of continuity "within the framework" of at least one president. For all that has been promised needs to be fulfilled. Tomorrow people would come up and say: "Let us have!" They are not interested in the fact that yesterday it was Gaydar and that today there is Ivanov, Petrov, Yavlinskiy. Consequently, the new premier should say: "I can fulfill these decisions, but these, no." The president's edict No. 1, for example. Because the teachers will come up and say: "You are the premier? Implement it!" What do I do? I have either to say something bad about the edict and the

president, which I would not do, because I want to respect state authority as such. Or I have to promise, consequently, to lie, because I cannot implement it. Or I have to say, as officials and members of the government are now saying: "Go to him—he signed it...."

Grigoriy Tsitrinyak, observer: What in your view must the government do to extricate us from today's hole?

[Yavlinskiy] The principal factors determining the substantive activity of the government are now growing inflation, regionalization, and the deteriorating condition of society. If the government is in principle capable of understanding this, it is in these three areas that the maximum of efforts should be exerted.

First, STRATEGY. It is essential to abandon the orientation toward short-term success in **ECONOMIC POLICY** (the "shock" methods of financial and monetary policy, "voucherization" as a mode of institutional transformations, and so forth). Now success is possible only after a lengthy interval. Economic policy should be shaped to achieve long-term goals.

Priority in the transformations should be given to systemic changes in the economy, which will only subsequently create the possibility of economic revitalization. This is particularly important if it is considered that systemic changes are, as a rule, of an irreversible nature.

The main content of **REGIONAL POLICY** may be expressed very simply: the creation of the general economic and sociopolitical conditions for the unrestricted realization of the potential of the development of each region and the stimulation of interregional integration. In principle, to abandon the role of master surrounded by beggar regions.

We should consider it essential to do everything possible to preserve the potential of the existing economy: the leading research centers, world-level technology, the "nucleus" of enterprises in each base sector, personnel potential, the operational infrastructure.

Second, TACTICS. The main demand on **FINANCIAL AND MONETARY POLICY** is not to prevent systemic transformations but, as far as possible, to stimulate them.

A form of the pursuit of financial and monetary policy which even under the conditions of high inflation leaves an opportunity for the development of business assertiveness and investment activity must be found. A most important principle in such financial and monetary policy is predictability. It is essential to switch from panic inflationary expectations to rational expectations.

It is most important to put an end to the arbitrary change in if only the outward conditions of economic activity: taxes, credit rate dynamics, the parameters of foreign economic activity, and so forth. The introduction in respect to the exchange rate of the ruble, for example, of a system on whose basis the populace and the enterprises could rationally predict macroeconomic dynamics (even deteriorating dynamics) and in this connection plan their own business and investment activity could be proposed.

On this basis the government could assume commitments in respect to the dynamics (not the level!) of the exchange rate of the ruble, adopting a decision on a standard change in the single commercial exchange rate of the ruble, depending on the times, in percentage or absolute terms. In the first case there would be a kind of "designation" of a fixed, in the second, of a braking, rate of inflation. Clearly, the state's commitments to perform conversion transactions at this "floating" rate would undoubtedly have to be met. All macroeconomic policy should be attuned to this. The shock absorber could be a stabilization currency fund formed from inherent or borrowed currency reserves, in the amount of the three-month import requirement, for example. A reduction or an increase in this fund would be a signal for a tightening or easing of financial and monetary policy.

If the government recognizes the impossibility of a sharp reduction in the rate of inflation and introduces the system just described, it would be possible to cut the losses from inflation. To minimize the structural redistribution of financial resources connected with the increase in prices mechanisms of personal income, indexation and a number of other indicators are necessary. "Pressure groups" on economic policy both on the part of industrial enterprises and on the part of the agrarians and other social and economic groups have taken shape as of this time. This creates an opportunity for the conclusion of a kind of "pact of social peace against devastation," which would incorporate agreements with the industrialists, agrarians, and other "pressure groups" based on the indexation of a number of items of expenditure of the budget (including payments to employees of budget-funded organizations) and indexation of the income-tax scale, Central Bank credit interest, taxation of an increase in average earnings and so forth. It would be essential to link the coefficients of such indexation with the dynamics of the exchange rate and macroeconomic policy as a whole.

The realization of a new REGIONAL POLICY could begin with a decisive stimulation of cooperation with interregional economic associations on the Volga, in Siberia, in the Far East, and in the south of Russia. Reliance on these structures and assistance in their formation and the skillful coordination of their actions represent a guarantee of the successful transformation of the "center above the regions" into a "center of and for the regions." It is such a policy which would help the center acquire stability and new meaning under the conditions of the growing differences and contradictions.

A SERIOUS MANEUVER IN THE CENTER'S SOCIAL POLICY is needed. The government has nothing left to share out among the citizens (the vouchers are the last contribution to an increase in well-being).

The main thing that must be done, in our view, is shifting the basic functions of life sustenance of the populace and the instruments of their realization, financial resources included, to the level of the regions.

The decentralization of the system of life sustenance of the populace would contribute to its increased specificity, that is,

its orientation toward the requirements of specific groups, and the diversity of the instruments of social policy employed depending on the chosen priorities and specific features of the territories. This would increase their effectiveness.

The conscious, organized redistribution of social functions between the federal and local authorities would signify the commencement of a negotiating process between the center and the representatives of the regions on the spheres and forms of interaction. A policy of social accord should be made the basis of the negotiating process.

The situation in Russia now is borderline. I do not want to say critical, it is borderline: Everything could move for the better or for the worse. I am convinced that Russia can emerge from this situation if it begins to tackle its problems itself and feed on its own juices. The process is very complex, but it can be organized. This just needs to be done rationally.

Third, the CIS: How long can we go on living in a situation where we do not know who's who and whose side anyone is on? It is an absurdity. I do not understand when Kravchuk says: We are leaving the ruble zone. Ukrainian deputies themselves are asking: "What does this mean? Leaving for where? On a steamboat...?" (Laughter)

There are questions connected with the conclusion of a treaty on a banking union for all who will avail themselves of the ruble, on the creation of an interstate bank of issue, on the rules of voting in the banking union, on limitations on the deficit of all budgets based on the ruble. If some republic permits an increase in the budget deficit over and above what has been agreed, it becomes a debtor to all the others. Perfectly clear logic, in my opinion.

And the final block: relations with the West. I would formulate the position thus: We would not take money as yet because we cannot at this time create the minimum of the conditions necessary for it to begin to work. We would not, and that is that. Nothing so terrible. We are a rich country. We would, on the contrary, learn to make better use of our own resources, and the time will come when we will return to this question and discuss it. Otherwise we would now be getting hold of credit, but when it is really needed, no one would give it. We must remain on very good relations with the West, but we need to think exclusively with our own brains and emerge from the situation on our own because there are no analogies—we have an atypical, very non-T/O situation.

Although, I have to say, take a look at what is happening in the world: The process of regionalization is typical not just of us. Spain, Canada, Britain, Belgium, India, and Czechoslovakia, not to mention Yugoslavia. It is our duty to pay the closest attention to this. But take the newspapers, other than yours... (laughter). What do you find there? What Khasbulatov said to Poltoranin. The Supreme Soviet has deemed the work of the government unsatisfactory and has made it repeat the grade. Gaydar said: We will continue to stabilize, it makes no matter. Gerashchenko has granted the wrong credit. Taking up the whole space. And in a corner four short small-print lines: The Dalai Lama has

consecrated the flag of Tuva, and the first draft constitution, which does not, it is true, accord absolutely with Russian laws, has been prepared there. Four lines. Listen: They are what is most important, the rest, not.

It is not in this case a question of Tuva, where the finishing touches are being put to a draft constitution. But you note Tatarstan and Bashkortostan, Yakutia, finally; take a look at the "Siberia Agreement," "Greater Volga," the growth of interregional differentiation and the contradictions. Unless you do, the sparse lines of newspaper reports will soon become banner headlines in those same newspapers.

So there are two main problems: disintegration and inflation combined with a decline in production, the rest being secondary. I might say a few words further apropos the first.

Russia seems to us a vast, simply planetary country of countries. We did not even suspect that they were all so different—both the people and the Russian lands. Not to mention the national republics. The question arises: Is there one prescription for all as to how to advance? Clearly, the present Federal Treaty is an interim document. I have in connection with it a question for you: When Nizhegorod Governor Nemtsov signs the Federal Treaty with Khasbulatov, which of them is Russia? I simply cannot make out who is entering into a federation with whom?

Aleksandr Nikitin, observer: Liver and spleen....

[Yavlinskiy] If this organ, this is a good thing (laughter).

[Moroz] I have heard repeatedly, during an interview with Gaydar included, how he evaluates you. When he is asked: "What do you think about Yavlinskiy?" a slight struggle is noticed initially, he is trying, evidently, to avoid any evaluations, then he says: "Yavlinskiy is a qualified economist" or a "qualified specialist."

And were you to be asked to evaluate Gaydar, what would you say?

[Yavlinskiy] Thank you, you have helped me out: Gaydar is a qualified specialist (laughter).

[No 45, 4 Nov, p 10]

[Text]

Anatoly Stroyev, commentator: Have we not passed the point in time when these regions could have been held back, before they began to proclaim their independence?

[Nikitin] If power were given to them at present, even Kaluga would be trying to proclaim independence, because for officials the main point is to grab more power.

[Yavlinskiy] So, when it finally dawned on the leadership that all of us are that different, as you know, three different Federation Treaties had to be drawn up: one with krays and oblasts, another with sovereign republics belonging to Russia, and the third one with autonomous okrugs. In addition, there are companion protocols to the Federation Treaties. So, is this construct workable? It clearly is not. Are there any completed legal or economic models which

are capable of ensuring peaceful coexistence and interaction in view of the growing differences between individuals, peoples, and lands? To my mind, there are none. This means that a concept of new integration is needed because they will not survive without integration. This model may only be built on the principles of voluntary participation and interest. Lenin said at one point: Before we unite we should resolutely dissociate, whereas now I would say: Before we unite we should resolutely get interested. This model of horizontal integration should be developed because there is no such prior experience.

Peter Fisher, the Carnegie Foundation (United States): May I ask a question? I also recall October of last year. It was already said at the time that there would be hunger and cold; there was absolutely nothing available in the stores, and so on. I am not an economist, but in my capacity just as an observer, I think that there was no other economic choice but liberalization in October. Is that so?

[Yavlinskiy] It is not. I will explain why. There are things which are indisputable. You cannot proclaim a policy of financial stabilization if you do not know what the borders of the country are, if you do not control the money supply, the financial flow, and credit policy. It is an illusion. This is point one.

Second, the liberalization of prices. To a degree there was no choice in this case. It was clear that state prices call for subsidies, but it was quite as clear that liberalization should be intimately tied to institutional changes and an antimonopoly policy. For as long as these do not exist, liberalization in the proper meaning of the word (as a measure improving resource consumption) is impossible. Liberalization did not occur; this was rather the next stage of Pavlov's price reforms. In essence, this was decentralization of price control: Control at the level of the state was discontinued and transferred to state monopolies and local authorities.

At present, prices for Volgas are set by the plant and not the market at all. The plant says: "A Volga costs 1.2 million rubles [R]. That is it. You do not want it? Then do not buy it." This is because of the state monopoly, except that previously Moscow set prices, and now the plant itself.

However, for every economic reform there is a technique for its political implementation, especially for a reform that major, extensive, and serious. You cannot tell the people: I will now perform a magic trick and pull a rabbit out of a hat. They should have said: For now we are not in a position to implement a complete liberalization of prices. We are implementing its first stage because there is no way to not implement it. Thereafter, we will engage in demonopolization, privatization, and land reform in order to ensure, in the long term, the actual decontrol of prices, as well as the determination of prices by the customer, because there is one more stage. With your permission, I will name it for you, Mr. Fisher: It is the supply-and-demand price. We are yet to arrive at this price, too, and only later does it evolve into the market price. They had to tell—this time, themselves rather than the people—that there is the issue of so-called "natural monopolies," a

situation whereby prices would be regulated by the state for some time to come. It is just that this had to be said as early as October of last year, rather than reluctantly admitted this October.

I am saying that indeed, there have been forced steps, but they have been accompanied by a policy of financial stabilization which has brought about a payments crisis to the tune of R3.5 trillion. Why?

At present, everybody is berating Gerashchenko, but tell me please, Mr. Fisher: What could the chairman of the Central Bank of Russia do? There is a crisis on the order of R3.5 trillion, is there not? Eighty percent of the enterprises are bankruptcies, right? So, you are Gaydar, Gerashchenko comes to you and says: "Gaydar, are you going to close down bankrupt enterprises? If so, I do not have a problem, go ahead and begin! Whatever have you pursued a firm finance policy for? Has it been to conduct amelioration, a cure? So, conduct it. It is either/or. Meanwhile, you are not shutting down bankrupt enterprises, nor are you allowing me to issue credit. Are you aware of a third way? Then tell me! Are you going to do something? Speak up!"

This is the state of affairs, Mr. Fisher. Following all of this, it is very easy to come to the podium in the Supreme Soviet and say: "What are you yelling about? You do know who is behind all of this. It is Gerashchenko: He was the one to extend credit!" But go and show me at least one bankruptcy. You would understand what kind of liberalization is it if there has not been a single bankruptcy.

[Fisher] Well... I am also in favor of bankruptcies... (Laughter.)

Natalya Vysotskaya. Do you think that they will introduce the hryvnia in Ukraine, after all?

[Yavlinskiy] I think that they will not desist, and will try to do so. However, they will not even attempt it as soon as they say they will.

Lora Velikanova, commentator. What if they invited you...

Igor Ivanov, executive secretary. You will not be left without a job—LITERATURNAYA GAZETA will get you one. (Laughter.)

[Velikanova] ...as a consultant? Would you take it?

[Yavlinskiy] This is how I would respond: How do you know all of this?

[Mamladze] So—have they already approached you?

[Velikanova] I am interested to know because I have a friend over there who asked me specifically to ask you about this.

[Kulikov] Is it Kravchuk?

[Velikanova] No, someone who is every inch a Ukrainian.

[Yavlinskiy] What can I say... You see... On one occasion, I attended a conference of "highly placed" people, or was it a seminar, I do not know what the proper word is. Leonid Makarovich Kravchuk was in attendance, as well. They asked him a question: "In Europe we are uniting on

the basis of certain common values which we consider principal values. Tell us whether you have values in common with Russia." After thinking, he answered "No," and proceeded to explain: National values come first, and common values come next. The response over there was approximately the same as here: They were all bewildered... To me, all this is quite complicated. I grew up in Ukraine, my mother and brother live there. I have certain convictions. If I am able to act in full accord with my convictions, I am prepared to help because Ukraine is my motherland. However, Russia is my motherland, too... In a word, I have one motherland. This is how it is.

[Tsitrinyak] May normalcy be ensured for the people in the separately considered Nizhny Novgorod car of our common train? After all, it is the same train, the same tracks, and the crew of the steam engine is well known.

[Yavlinskiy] Have you noticed that some cars have already been decoupled because neither the track, nor the train, nor the crew of the steam engine suit them, and some are thinking about what to do next? As far as the "Nizhny Novgorod car" is concerned, we tried to prepare a package of drafts for it. This is how I would put it: If they are implemented, living conditions will become more livable. Here are some examples.

For example, at present, before you become a private entrepreneur, you must first negotiate a long path of administrative adventures, and as a result receive permission of sorts from the state. In Nizhny Novgorod they up and did everything the other way around, and the city soviet has already confirmed the new procedure. You now go to the post office, pay stamp duty, send a notification to the registering organ, receive a certificate, go with it to the bank, and open an account. That is all!

As far as the privatization of apartments is concerned, there is the following principle: operate through arrangements which people are familiar with and understand. We proposed to transform residential buildings on the balance sheets of industrial enterprises into cooperatives with paid-up downpayments, and to increase the incomes of the residents. Everybody understands what housing cooperatives are about. Do you know how much cheaper it costs to maintain such a house? Three times cheaper. We were told: Those who sell light, gas, and water will smother you with their prices. We answered: Get 10 buildings together, set up a housing association, and decide yourselves who to put in charge of the water supply and other things, and how to monitor them. Was it fast? It was not. Was it difficult? Indeed. However, several days ago, people from Nizhny Novgorod visited Minister of Finance Barchuk, and this arrangement met with his understanding, too, because separating the social infrastructure from large plants is one of the most complex tasks.

They are saying: Convert plants to joint-stock operations. However, how is this to be done when the enterprise has the entire city on its balance sheet? A presidential edict specifies that the social infrastructure is taken "off the balance sheet." I would be interested to know where it is taken to? (Laughter). Who is going to pay for it, given that

the city does not have funds? Do you know how much some enterprises spend to maintain facilities of the social infrastructure? Up to 90 percent of profits. That is to say, from each ruble of profits they contribute 90 kopeks for sewers, elevators, trash removal, heating, and day-care centers. Investors come, and go away: This does not suit them in any way. This is why we developed a special arrangement to find a way out of this situation.

Quite an episode is associated with what our free press referred to as "the Nizhniy Novgorod currency" (after all, everyone says what he wants, correct?). This happened at the height of the "cash crisis." In June, right after we came to Nizhniy Novgorod, directors of chemical plants from Dzerzhinsk came to us and asked: "Do you know what we manufacture?" I could guess, but just in case, I answered: "No, I do not..." (Laughter.) One of them said: "I produce cyanic acid, and the workers are now ready to sell it on tap, because for three months now I have not been paying wages in cash to them." (Laughter.) You can imagine the expression on the face of Governor Nemtsov...

We pondered how to improve the cash situation. What is to be done, given that it did not occur to those in the government that if prices increase by a factor of 20 to 30, there will plainly not be enough paper to support sales. They are saying: The Supreme Soviet did not authorize this! What has the Supreme Soviet got to do with this? Goznak [Main Administration for Manufacturing Bills, Coins, and Orders] plants reported to the government. So, have it printed ahead of time, in December, and obtain permission to circulate it when the crisis erupts.

So, we prepared bonds as a circulating instrument, in order to correct the situation with the cash crisis. By August the cash issue fizzled out, and now an arrangement for launching a state oblast loan is being developed. A savings policy is a mandatory instrument for containing inflation.

What are we to do to have the people buy loan bonds for R10 billion? We must win their confidence: Issue a small portion of it, pay it back within three to six months, and demonstrate to the people that we preserve their money even in an inflationary environment. In this case they will buy more bonds at the next stage, and then still more. As a result the administration will be able to tap the funds and use them to do what it finds necessary: build roads, schools, and so on. Such is the civilized way to operate.

A grain loan bond is also interesting. The thrust of it is as follows: The oblast should procure grain every year, precisely the oblast. What happens now? You do not buy anything until Moscow allocates credit to you: You do not have money. Then, credit is authorized, and then it has to be shaken loose, and then it is slow in coming; meanwhile, the price of grain grows. We proposed to establish a grain bank and issue grain loan bonds. Grain, whose cost will keep growing under the current circumstances, will be purchased with these monies and administration funds. Bond holders will come to the grain bank and receive interest. This is actually indexation of sorts. In other words, owners of bonds will have an opportunity to

purchase, for example, products of the bread group during the year at the price of grain which existed as of the time the bonds were purchased.

The administration is doing much work on small-scale privatization. Open a newspaper published in Nizhniy Novgorod. It says that such and such a shop at a given location is for sale, the price is such and such, please attend an auction. In other places they are doing otherwise: They publish in newspapers a list of facilities that WILL NOT be privatized, a list with sequels. So, everybody waits for his establishment to be mentioned: This cannot be done, that cannot be done. (Laughter.)

In Nizhniy Novgorod they decided to sell trucks to the people on a mass scale because it is very important to have privatized transportation. For half a year they worked on sales rules in the oblast. The dream was as follows: To park trucks for sale right in the Nizhniy Novgorod Kremlin, let the people come and buy them and drive them away. The government said: You cannot do this; only trucks which do not have a mobilization assignment may be sold. (Laughter.) That is, in the event of war each truck should know precisely where it should urgently go and what it should carry...

What underlies corruption? For example, the fact that, in principle, a quota, a license to export oil is issued by an official. In essence, he issues a license for someone to become a billionaire. Naturally the latter is prepared to cut in the official. However, the official has one license, whereas those wishing to obtain it are many. How is he to determine to whom it should be issued? Criteria do come up: One for one official, another for another one. This is a simple arrangement. Why has the progress of privatization been so poor? Because it is much more advantageous to hand out permits of all sorts, each time in person, on a strictly case-by-case basis. Why hold auctions to which everyone comes? "Two hundred million... 300 million... 400 million... Sold!" After all, it is open, everybody sees it.

In general we have got to bid farewell to distributive and "hand-out" functions, and put them on an objective foundation as soon as possible. "I no longer distribute anything. You need property? Attend auctions!" If officials are deprived of the right to make such decisions, corruption will be contained.

Something else—a shop was being sold at an auction in a village in the Nizhniy Novgorod area. A Caucasus native wanted to buy it, so before the last round the villagers collected money from the entire street and bought out the shop, after all. Can you imagine? A backwoods village in the center of Russia, and there is a holiday on account of purchasing the shop. The people really had a party! (Laughter.) On one occasion Boris Nemtsov came back from a rayon and told me that an individual has an entire private plant there, and has also bought a shop. No sooner had the governor stepped into the store than the old women told him: "Boris, leave our Ashot alone!" You see that—"our Ashot"? They want Ashot to be there because he helps them to live better. I met him later; he is a nice guy.

I will tell you something else. We tried to hold free trade days. What did we do? Reduced local taxes by one-half in the hope that more people will come to trade. Recently they reported the financial results: The volume of sales increased by 80 percent, on account of which the local budget received R2 million rubles more in September than in August.

Interestingly, places suddenly appeared at the market with considerably lower prices. Children aged between 14 and 16, bringing goods from the villages, traded at these places. But what was the reason? Later the Internal Affairs Directorate gave us this information in secret: Racketeers got together and decided that they would leave the children alone. Since they were "left alone," in accordance with market laws competition immediately developed among the children themselves, and with the adult sellers. After all, they wanted to sell sooner, so they reduced prices right away and made more money because of the growth of volume of their sales.

However, the main point is that in Nizhniy Novgorod we worked with very extraordinary people: Boris Nemtsov, Yevgeniy Krestyaninov, Aleksandr Kosarinov, and Dmitriy Bednyakov. The credit for much of what I am discussing already being implemented actually goes to them. They are uncommon people, sincere, courageous, and talented people. Their efforts, their nerves, and their lives are the reason for everything you hear, read, or see about Nizhniy Novgorod.

Andrey Filippov, commentator. It is now the custom to ask economists: What are you going to do with your voucher? What are we to do with ours? What will the people in Nizhniy Novgorod do about theirs?

[Yavlinskiy] Based on my own experience, I know how painful and unpleasant it is when you are just beginning something but everybody starts shouting right away: "Wrong! This is not the way!" In general I get the impression that those in the government are already completely baring their chests, as if they were going to make their last stand. They believe that they will hand out a scrap of property to everyone and then the reform will not be stopped. On a personal level I have respect for their emotions, but professionally I can say what I think.

The future of these papers is twofold: Either they will just lose their value, or, as now appears, they will turn into regular money, and an extra R1.5 trillion will hit the consumer market. Despite the second scenario being among the best case ones, prices will subsequently grow. Here is one argument: Who will sell their vouchers? As a rule, poor people who need the money just in order to survive. Vouchers from the first wave of sales will turn precisely into money, and the money will go precisely to the consumer market. If sales are massive to any degree this will bring about a still greater growth of prices, with all the attendant consequences.

They told me about a recent presentation by Yegor Timurovich on TV. He was asked what people should do with their vouchers; he kept on explaining, and then he said: Actually, do not be in a hurry; wait and listen to what

the people have to say. (Laughter.) My neighbor said: "Can you imagine? He speaks the very same words my grandma does: Grandson, do not be in a hurry, listen to what people have to say..." (Laughter.)

Generally, I am afraid that these things will give an impetus to inflation while not bringing about major institutional transformations—at best. Do you understand the scale of it? They still cannot sort out the "Harvest-90" checks. Every day a crowd gathers in front of the Ministry of Finance and demands that payments on checks be made (the people are called "checkists"). Meanwhile the entire country, not just individual people, will come there on account of vouchers.

Finally, before our meeting, I was asked to comment on a quote and attribute it. My response: I am the author, I said it in Nizhniy Novgorod: "We need a sane government. We should be aware of the extent to which events are programmed. For the time being names matter little." I have the following commentary to make.

I have reasons to not want the government to resign. However, I have a great desire to demand that the government begin to listen, recognize unpleasant points, draw the necessary conclusions from them, and respond. Meanwhile the government is silent. We published the "Diagnosis" in May, in which we analyzed everything. Has the government responded? No. They are silent. They are not embarking on a direct discussion, though we do understand why: You just mention the exchange rate, the scale of recession, and the rate of inflation, and everything will be clear. What is there to discuss? However, in this case they should not promise stabilization or argue that the exchange rate of the dollar will not go higher than R50-70.

Incidentally, the evaluation of each government, to my mind, is similar to a fraction in which the actual endeavors of the government are the numerator, and the promises and expectations evoked by gentlemen ministers are the denominator. This is why the fraction will be small even if there is something in the numerator but you have over-promised in the denominator. However, in this case a large numerator is out of the question.

In general, it is not worthwhile to have a fit of political hysteria, engage in continuous "mudfests" at the level of the supreme echelons of power, and look for individuals to blame for the failure of the current stage of reforms in a situation when everybody is to blame. The current condition of Russia is fraught with both potential dangers and enormous new opportunities. Our task is to assess the situation correctly, see these opportunities, and take advantage of them.

Yeltsin's Edict Against Speculation Described

934A0168A Moscow IZVESTIYA in Russian 31 Oct 92
Morning Edition p 2

[Article by Irina Demchenko: "Police Are Assigned To Return Goods to State Trade"]

[Text] To aid the fight against speculation, President of Russia B. Yeltsin on 29 October signed an edict, according

to which, starting 1 December, trade in food and non-food goods subject to excise taxes must be licensed. Licenses will be issued to local organs by the executive authority on whose territory trade is being conducted.

The excise tax—one of the simple ways of collecting taxes and one of the most important sources of revenue for the state budget in many countries—was transformed into a huge problem for us a long time ago. Acquiring industrial batches of goods and paying an excise tax on them, middleman trade organizations and trade organizations themselves then resell these goods at a high profit for themselves. I remind you that in Russia such goods as alcoholic beverages, automobiles and cigarettes which can readily be resold and which enjoy a consistently high demand are subject to an excise tax. The size of this tax reaches 80 percent of the value of the good; but, for example, the excise tax on vodka is paid upon acquisition of a batch in retail trade, at a price of 110 rubles a bottle, but is not paid after it is resold at a commercial stand, at a price of 240 to 260 rubles.

B. Yeltsin's edict has a fiscal character and is traditional for decisions of this kind. The only non-standard element in it, in the opinion of experts, was the fact that the right to grant licenses was given to the localities. This was caused by the fact that there is an enormous number of commercial organizations that specialize in trade subject to the excise tax. Specialists believe that introduction of the new system will cause the affected goods to become more expensive in the non-state commercial sector, where only these goods are accessible to most customers. Sellers will undoubtedly pass the increasing tax burden onto consumers. It is likely that the increase in prices for certain groups of goods will be greater than just the rate of the excise tax, insofar as sellers will also include in the price expenditures linked to obtaining licenses. The edict has great potential for corrupting state officials.

Measures are stipulated in the edict to protect the rights of consumers. The Ministry of Internal Affairs of Russia jointly with the State Trade Inspectorate have been instructed to adopt measures to prevent illegal activity by actual and legal persons in connections with the purchase in the retail trade network of batches of goods in order to resell these goods. I remind you that the MVD [Ministry of Internal Affairs] together with the Ministry of Security a little more than a year ago were assigned to search for and protect goods that are disappearing from state trade. It is true that this assignment was made by President of the USSR M. Gorbachev. And the MVD even then demonstrated its inadequacy in the role of commercial manager. And, according to B. Yeltsin's edict, in the summer of this year the organs of security and protection of law and order were no longer searching for goods, but for cash.

It is likely that goods will disappear from retail trade and be sold through commercial trade as long as this is advantageous. The only thing that depends on the activity of the police is whether this is done legally or illegally.

Draft Laws on Corruption, State Service Discussed

934A0168B Moscow *RABOCHAYA TRIBUNA* in Russian
30 Oct 92 p 2

[Article by Valeriy Kachurin under the rubric "Parliamentary Vigils": "To Take? Strictly According to Rank"]

[Text] Two most important draft laws—"On the State Service" and "On the Fight Against Corruption"—were discussed last Wednesday in Parliament. Both laws are part of the program developed for the reform of the state service and are closely linked to one another. To a certain degree, they answer the question: How to escape the corruption in the state service? To achieve this, legal experts believe, it is necessary, above all, to create suitable living conditions for the civil servant and his family. The independence of key people is necessary, and this is determined by the system of official positions. "The table of ranks" will once again appear—only the administrative positions will be allotted in 14 ranks. As under the Tsar, class ranks will be awarded to civil servants.

What is permissible for an official and what is not? It is already clear now that he does not have the right to sit on two chairs—to hold more than one job, to engage in entrepreneurship, to take bribes—including bribes in the form of Russian wolfhounds, going abroad without knowledge of management at the expense of the party receiving him, and taking part in strikes. Will a set of restrictions help civil servants in our day escape from the elements of political struggle and from the temptation of personal enrichment?

Meanwhile, Aslanbek Aslakhanov, chairman of the parliamentary committee on questions of the legal system, law and order, and the fight against crime, expressed regret that now, when practically the entire organism of the state is permeated by corruption, the number of people's deputies who assembled for the discussion of such important draft laws was only...four.

Piyasheva Submits Alternative Economic Program

934A0168C Moscow *NEZAVISIMAYA GAZETA* in Russian 27 Oct 92 p 2

[Article by Natalya Ratiani: "Piyasheva's Program on Yeltsin's Table"]

[Text] Following preliminary negotiations on 24 October 1992, "the Piyasheva group" submitted to the president of Russia the basic points of its economic program, which is an alternative to existing programs: the state program and Volskiy's "anti-crisis" program.

The Chairman of the organizing committee of the Russian Institutional Union (RUS), the people's deputy of Russia Marina Sale, believes that "the proposed program can be implemented only through convocation of a constituent assembly—an independent, representative organ of the people, called upon to decide one fundamental question in the life of the country." The RUS, as well as the creators of

the economic program, are convinced that "after adoption of the Constitution, the constituent assembly should be quickly dissolved."

"The Piyasheva group" considers that the guarantee of success in getting out of this desperate situation of "the chaos of anarchy" and "bloody dictatorship" is "a policy of rapid, mass privatization," supported by the people and changed so that it becomes "the main lever of economic and political reforms."

"The Piyasheva group," having created the program, expects that "such an approach will sharply reduce existing corruption of local authority and will accelerate the 'commercializing' process of the privatization of enterprises."

The text of "the Piyasheva group's" memorandum to the president of Russia will be published on Thursday in the economics section of NG [NEZAVISIMAYA GAZETA].

Piyasheva, Others Submit Economic Program to Yeltsin

934A0187A Moscow NEZAVISIMAYA GAZETA
in Russian 29 Oct 92 p 4

[Document by Dr. of Economic Sciences Larisa Piyasheva, Aleksandr Isayev, director of the Economics Institute of the Ministry of the Aviation Industry, and Boris Pinsker, president of the "Property and Law" Foundation: "What Are the Liberals Talking About?—Memorandum for the President of Russia"]

[Text] The bitter truth is that Gaydar's reform, which anticipated the accomplishment of financial stabilization and a liberalization of prices without rapid and massive privatization, as one should have expected, has failed (at least in the sense that it will not make possible economic growth in the next 3 to 5 years). The crisis is deepening, inflation is gathering momentum, and the ruble is getting weaker. The result of the weak and half-hearted reforms was a strengthening and consolidation of reactionary forces and more political instability.

Overall the current situation is very much reminiscent of that which developed in the last year of the rule of Gorbachev, who even managed to get his natural allies in reform to rise up against him and thereby provoked a rebellion of the highest strata of the bureaucracy and Supreme Soviet. The only and extremely important difference between the position of the government of Yeltsin and the position of the command of Gorbachev is that then all of the mistakes and failures of Gorbachev raised the authority of and strengthened the Russian reform movement. Essentially only this saved freedom and possibly the very life of Gorbachev. The chances of the rebels for success may now be immeasurably more favorable. Russia has no alternative center of political unity to the Yeltsin command that would be capable of taking over the baton of reform and keeping the country from chaos, anarchy, and bloody dictatorship.

To have the possibility of demonstrating strength in relation to the enemies of freedom and civil peace, the government needs the mass support of the population but

this cannot be achieved through a policy of half-measures and bureaucratic reforms. The key to success is a policy of rapid mass privatization. The directors of enterprises need not only legal and administrative powers for the reorganization of their enterprises but also a mandate of trust on the part of the collectives for the implementation of structural reforms (often this will be quite painful for many). This cannot be achieved without the solid support of the collectives.

We propose:

1. Change the privatization policy so that it will become the main instrument of economic and political reform. It is necessary to renounce the fiscal model of privatization, that is, the model oriented toward the gaining of income from the sale of enterprises, and to privatize enterprises through vouchers. In the first place, no other way can achieve the rapid privatization of the Russian economy. In the second place, at the present time from privatization we have been able to obtain a sum amounting to 1 to 2 percent of the volume of the inflationary emission of new money. In other words, the possible fiscal results are insignificant, whereas the expenditures are extremely high.
2. The list of targets of privatization needs to include all enterprises of the defense industry, agricultural enterprises (including land), municipal enterprises and others presently excluded from the program without adequate economic justification.
3. Land and real estate belonging to trade unions must be included in the property subject to privatization. At the present time, the successors of Soviet trade unions are the largest landowners in the country. Such a situation is not only socially unfair (a group of bureaucrats disposes of the gigantic "public" property as if it were its own) but is also politically dangerous. This property makes the trade unions one of the most influential forces of the socialist reaction.
4. The purchasing power of the voucher must be calculated in such a way that the current issue (approximately 150 million vouchers) will cover all 100 percent of the value of the state property to be privatized.
5. Vouchers intended for inhabitants of nursing homes, pupils in children's homes, the mentally ill, and those remaining in psychiatric hospitals and recognized to be incapable must be concentrated in the corresponding oblast funds and turned over to private banks for administration in trust. (Accordingly, it is urgently necessary to formulate a law on trust administration. By the way, such a law is also absolutely necessary for the investment funds, holding companies, and other entities planned by the government. Otherwise the magnitude of the inevitable financial scandals in such a process may endanger the preservation of the democratic regime.)
6. To simplify and accelerate the process it is necessary to carry out all privatization operations relying on the balance estimates existing at the end of 1990.

7. Enterprises for social and cultural services (rest homes, sanatoria, Pioneer camps, departmental housing, etc.) must be privatized separately from the mother enterprises as independent legal entities.

8. The stockholders meeting of each enterprise must have the right to make a decision on the form of the joint stock company to be established (open or closed), on additional shares for the administration of the enterprises, on additional issues of shares for the purpose of bringing in capital, etc.

(Naturally under such an approach the three schemes of privatization now foreseen and many instructions of the State Committee for Property lose all meaning. Likewise the existence of the unwieldy and costly system of the State Committee for Property becomes almost totally meaningless.)

9. The realization of this program requires certain changes in economic policy. Above all it is necessary to be concerned about the inevitable victims of the pending reforms. It is necessary to pass legislation on economically impoverished regions (with an unemployment rate of more than 15 percent of the able-bodied population). For such regions, it is necessary:

9.1. To double the time of full payment of unemployment assistance.

9.2. To exempt investments in the expansion of production fully.

9.3. To establish a state support system for small business primarily oriented toward the needs of regions affected by structural unemployment (information support of new small enterprises, a simplified system of registration and accounting, and tax advantages).

9.4. Formulate measures to stimulate the flow of foreign investments into such regions.

10. For the economic reform to be successful, it is necessary to accelerate military reform: to decide on a new defense concept, to ascertain the size and characteristics of the armed forces necessary for Russia, and accordingly to establish a firm state order for the enterprises of the defense industry. All of those who will not be included in the new state order must be told clearly and unequivocally that the state no longer needs their output. There can be no successful and effective conversion without this definiteness. Accordingly, a law on conversion is needed that would define the status of the enterprise subject to conversion, its right to government subsidies, etc.

11. The basis for the strengthening of the value of the ruble and the normalization of the financial system can only be the establishment of private investment markets, including a market for land and natural resources. But even a completely privatized system will not work as it should under the domination of so-called "commercial" banks, in which a group of business people quite irresponsibly disposes of the capital of state enterprises. It is necessary to privatize the capital stock of the existing banks and infrastructure of financial markets (establishment of private

accounting centers, etc.). To this one must add a resolute "decommercialization" of the State Bank of Russia [Gosbank]. All links of this bank and all of its employees must unconditionally be forbidden to carry out commercial operations (intended for the extraction of profit). Gosbank must retain only the functions of an emission center.

12. The policy of financial stabilization and liberalization of foreign trade has no chance of success until the program for the liberalization of price-setting is completed. Without this one cannot cope with speculative fever, depoliticize the economy, and stabilize the value of the ruble. This means that it is necessary to carry out the priority privatization of the extractive and processing industry, above all that of oil and gas. Without this it is impossible to conclude the deregulation of prices for energy sources and other "strategic" resources.

13. The objective of the reform is the complete withdrawal of the state from the direct management of the economy. The measures foreseen in paragraphs 1 through 11 are the basis for antiinflationary policy, for they substantially reduce the possibility and necessity of expecting and demanding anything from the state. The government will be able to turn aside the claims of such strong pressure groups as miners, oil and chemical workers, and others. It will be possible to reduce its responsibility to the subsidizing of the most hopeless and unfavorable versions of conversion and to refrain from all other kinds of responsibility to enterprises.

There is no doubt that such a change of policy will receive mass support if it is supplemented by a strong program for the state economy. It is necessary to reduce the administrative apparatus not by 2,000 or 3,000 and not by 1-2 percent but to a fraction of what it is now. This will not only provide for the debureaucratization of the economy but will also greatly weaken the camp of the opponents of reform.

14. Judging by the example of the Moscow government, the current budgetary system of the municipalities and the existing practice of the commercialization of municipal functions cannot be called anything else but a depravity. It is necessary:

14.1. To strictly limit the possible size of municipal budgets (taking into account all sorts of "nonbudget" funds) to a certain percentage of the gross product produced in the respective territories.

14.2. To outlaw any forms of commercial activity in all links of the state and municipal systems.

Such an approach will greatly reduce the existing corruption of local state authority, will accelerate the processes of privatization, and will destroy the alliance of corrupt bureaucracy and "commercialized" enterprises.

15. It is necessary to accept the fact that it will not be possible to balance the budget in the next few years. The government can only work out and announce a schedule for the planned reduction of state expenditures, setting a goal of reducing them, let us say, to 30-40 percent of the gross national product within 5 years. Such a political

obligation not only will be attractive to the population but will also make it easier to defend against all the demands for an expansion of the budget. It may be reasonable to include the appropriate indicator in the text of the Constitution of the Russian Federation.

16. This program of reforms must have reliable political guarantees. To entrust the fate of reforms to the present extremely unpopular body of the Supreme Soviet is impossible simply because most of the deputies represent long-gone authority structures and interests that have been rejected by the society. In addition, having become professional politicians, a significant share of today's deputies are materially dependent upon local party bosses and upon the influence of narrow commercial interests.

A constituent assembly is needed to confirm the constitution and it must be dissolved immediately after the adoption of the constitution. Elections for the Supreme Soviet can be held on the basis of the new constitution (in mid-1994).

Edict on Privatization of State, Municipal Enterprises

935D0074A Moscow ROSSIYSKAYA GAZETA
in Russian 31 Oct 92 p 5

[Text of "Edict of the President of the Russian Federation 'On Regulation of Leasing Relations and Privatization of Leased Property of State and Municipal Enterprises'"]

[Text] In order to deepen the economic reforms and create conditions for regulation of leasing relations and accelerating the privatization of leased property of state and municipal enterprises, in accordance with the 5 June 1992 Russian Federation Supreme Soviet decree "On Enacting the Law of the Russian Federation 'On Making Changes and Amendments to the Russian Soviet Federated Socialist Republic [RSFSR] Law "On Privatization of State and Municipal Enterprises in the RSFSR"'" and the decree of 14 July 1992 "On Regulating Relations Under Civil Law During the Period in Which the Economic Reforms Are Being Carried Out":

1. Henceforth, pending passage of the Russian Federation Code of Civil Law, leasing relations on the territory of the Russian Federation shall be regulated by the Fundamentals of Civil Law of the USSR and the republics as confirmed on 31 May 1991 insofar as it is not at variance with the Constitution of the Russian Federation and legislative enactments of the Russian Federation passed since 12 June 1990, and with this Edict.

2. Leasing contracts concluded before this Edict comes into force shall be rewritten and shall maintain their force (including with respect to redemption of leased state (or municipal) property) insofar as they were not at variance with this Edict.

3. To establish that the Russian Federation State Committee for the Management of State Property alone and, on its instructions, committees for the management of state property assigned by the Russian Federation State Committee for the Management of State Property with rights of territorial agency, shall exercise the powers of lessor in the

leasing of real estate of state enterprises classified as property of the Russian Federation, and their structural units, branches, departments, and other separate subdivisions of enterprises, and shall be successors in respect of leasing contracts, including with right of redemption, concluded with them before this Edict went into force.

To establish that committees for the management of state property in the republics making up the Russian Federation, and in krais, oblasts, autonomous oblasts, autonomous okrugs, and the cities of Moscow and St. Petersburg, alone, shall exercise the powers of lessor in the leasing of real estate of state enterprises located in the republics making up the Russian Federation and in krais, oblasts, autonomous oblasts, autonomous okrugs, and the cities of Moscow and St. Petersburg, and the structural units of those enterprises and their branches and departments and other separate subdivisions, and shall be successors in respect of leasing contracts, including right of redemption, concluded before this Edict went into force.

To establish that the committees for the management of state property in the republics making up the Russian Federation, and in cities (except for cities of rayon subordination) and rayons (except for rayons within cities), alone, shall exercise powers of lessor in the leasing of real estate of municipal enterprises and the structural units of those enterprises and their branches, departments, and other separate subdivisions, and shall be successors in respect of leasing contracts, including right of redemption, concluded before this Edict went into force.

4. Leasing of property (except for real estate) secured to state and municipal enterprises with right of full economic disposition for a period not exceeding one year shall be done by the enterprise independently, while for a more extended period it shall be done with the agreement of the appropriate committee for the management of state property.

5. Redemption of leased state (municipal) property shall be done by lessors whose organizational-legal form has been brought into line with the RSFSR Law "On Enterprises and Entrepreneurial Activity."

6. Redemption of property under leasing contracts concluded before enactment of the RSFSR Law "On Privatization of State and Municipal Enterprises in the RSFSR" in which the periods, amount, and procedure for redemption have been determined, is done upon application from the lessee in accordance with a leasing contract with right of redemption.

7. Redemption of property under a leasing contract with right of redemption concluded before enactment of the RSFSR Law "On Privatization of State and Municipal Enterprises in the RSFSR" for which the periods, amounts, procedures, or conditions for effecting redemption have not been determined is done as follows:

—in cases in which the value of state (municipal) property is indicated in the contract and is not more than 1 million rubles [R] at the time it was leased: on the basis

of an additional agreement on redemption of the leased property and determination of the value of redemption, upon application from the lessor. If it has not been established by the leasing contract, the amount of the redemption is determined as twice the value of the leased property;

—in cases in which the value of state (municipal) property as indicated in the contract is more than R1 million at the time it was leased: by means of converting the lessee enterprise into an open-type joint-stock company.

8. The additional agreement provided for in Clause 7 of this Edict is concluded as follows:

—with lessees that are enterprises (partnerships, joint-stock companies) with right of legal entity, set up by a labor collective at a state (municipal) enterprise (or subdivision) on the basis of lease of the state (municipal) property of that enterprise (subdivision) and concluded as a contract with right of redemption;

—with lessees that are enterprises (partnerships, joint-stock companies) with right of legal entity, set up by the labor collective of a subdivision of a state or municipal enterprise on the basis of lease of state (municipal) property and having concluded a leasing contract with the enterprise of which it is part.

The additional agreement is concluded between the lessee and the appropriate committee for the management of state property within a two-week period from the day that application is made by a lessee.

The additional agreement is concluded and becomes an integral part of the leasing contract concluded earlier.

Disputes as to the conditions of the additional agreement in the redemption of state (municipal) property under the terms of a leasing contract fall within the jurisdiction of the courts of arbitration.

9. In the property of a lessee enterprise set up by the members of a labor collective on the basis of lease of property of a state or municipal enterprise a determination should be made of the sizes of contributions from the labor collective and individuals and legal entities having property with right of ownership (share of capital) in the lessee's set of property which is owned in common.

The organizational-legal form of the lessee should be brought into line with Articles 9 through 12 of the RSFSR Law "On Enterprises and Entrepreneurial Activity" by converting it into a partnership or joint-stock company.

Citizens who are members of labor collectives of subdivisions of enterprises set up by the labor collectives of state and municipal enterprises on the basis of lease of the property of those enterprises found a partnership or joint-stock company without the agreement of the entire labor collective of that enterprise in accordance with procedure for the disposition of their own share of the common property.

Startup capital for such a partnership or joint-stock company should be formed using the share of the workers and

other individuals and legal entities that enjoy right of ownership (share of capital) in the lessee's set of property.

A partnership or joint-stock company set up according to the procedure stated above is the successor to the lessee in respect of property disposed of within its share according to the divided balance.

A partnership or joint-stock company set up under this procedure redeems the share of leased property proportional to its share in the total volume of production (sale) of goods, work, or services with a 30-percent discount of its value, as provided for by the leasing contract.

10. Redemption of property under leasing contracts concluded before enactment of the RSFSR Law "On Privatization of State and Municipal Enterprises in the RSFSR" in which no determination has been made of the periods, procedure, amount, and conditions of redemption (except as indicated in Clause 8 of this Edict) is done by converting the leased enterprise into an open-type joint-stock company. The decision to convert is made by a general meeting (conference) of the lessees.

The following are founders of a joint-stock company: the appropriate committee for the management of state property, individuals and legal entities enjoying right of ownership to property (share of capital) in the set of property of the enterprise set up by the members of the labor collective of a state or municipal enterprise (or subdivision) on the basis of lease of the property of that enterprise (or subdivision) if they have not waived their right of founder in writing or any other provision in the agreement of the parties indicated that cover right of ownership of property.

Persons enjoying rights to acquire shares belonging to the state and local soviets of people's deputies and to a joint-stock company set up under the procedure for converting a leased enterprise are deemed to be members of the organization of lessees who concluded the leasing contract.

11. A partnership or joint-stock company set up by the members of a labor collective of a state or municipal enterprise (or subdivision) on the basis of lease of the property of that enterprise (or subdivision) and that has redeemed it has preferential right to acquire leased buildings, installations, and nonresidential premises as property, and also buildings, installations, and nonresidential premises that it has in fact possessed and used during the process of its own production and economic activity, in accordance with the provision confirmed by the Russian Federation State Committee for the Management of State Property.

12. The Russian Federation State Committee for the Management of State Property and the corresponding committees for the management of state property shall before 1 January 1993 rewrite leasing contracts to bring them into line with this Edict.

When leasing contracts are rewritten no revision of the terms of those contracts are permitted except for cases as provided for by this Edict.

Leasing contracts shall be deemed not made and invalid exclusively by the courts or courts of arbitration.

13. The Russian Federation State Committee for the Management of State Property shall confirm procedure for determining the amount and payment for leased state (municipal) property.

14. Control over compliance with this Edict is entrusted to the Control Department of the Administration of the President of the Russian Federation, the Russian Federation State Committee for the Management of State Property, and the heads of administrations.

15. The Control Department of the Administration of the President of the Russian Federation will check compliance with this Edict during the first quarter of 1993.

16. This Edict enters into force from the moment it is signed.

[Signed] B. Yeltsin, president of the Russian Federation
Moscow, the Kremlin
14 October 1992
No 1230

Kokoshin on Need for 'National Industrial Policy'

92UM1510A Moscow DELOVOY MIR in Russian
29 Aug 92 p 4

[Interview with Andrey Kokoshin, Russian Federation first deputy minister of defense and corresponding member of the Russian Academy of Sciences, by Andrey Naryshkin, military observer for ITAR-TASS: "The Security of Russia and Its Economic Policy"]

[Text] Andrey Kokoshin is the Russian Federation first deputy minister of defense and corresponding member of the Russian Academy of Sciences. He is widely known as a specialist in the area of national security, conversion, and the integration of the country into the world economy.

[Naryshkin] Andrey Afanasyevich [Kokoshin], among the range of problems which you are working on at the Russian Ministry of Defense is the elaboration and implementation of Russia's military-technical policy. I would like to ask you a not very "convenient" question: Where do you see the weak points in the defense sector of Russian industry?

[Kokoshin] In our defense industry and, as a consequence in the Armed Forces of the former USSR, there developed many imbalances which significantly reduced their real combat might, regardless of all the externally impressive quantitative indicators and a good number of outstanding military-technical achievements. For example, in having excellent models of attack weapons, we for many parameters lag in the means of the information support and in command, control and communications systems. The presence of such imbalances in the development of the weapons is the result of the administrative-command system. The analysis run on a whole series of specific situations related to the adopting of decisions important for the development of domestic weapons systems shows that in the past preference was given primarily to impressive "report-intensive" systems. As a result, regardless of

the rather major investments and the special programs, our lag increased more and more, in particular in electronics which at the beginning of the 1960's became critical.

Without our own highly developed microelectronics base, we cannot hope for an overall rise in the nation's industrial and scientific-technical development, or putting Russia's defense capability on a modern level. A rise in microelectronics should become one of the chief elements in a national industrial policy for Russia.

Military-technical policy is a derivative, on the one hand, of the state's military doctrine and the program for the organizational development of the Armed Forces, and on the other, operates as a component of general scientific technical and industrial policy.

[Naryshkin] What in your view are the most important components of national industrial policy and its main ideas?

[Kokoshin] It seems to me that this should be a policy for a profound, long-term restructuring not only of industry but also the national economy as a whole, including by creating a modern services sphere. In the immediate future we, as a minimum, must maintain our positions in those areas where they are strong and then focus on those technologies where we still lag behind but which at present determine and will determine industrial might, general national prestige and the influence of society and the state as a whole.

I am convinced that a national industrial policy can become one of the main catalysts for national conciliation and this is being urged for us by both the Russian President and the leadership of the Supreme Soviet. For carrying out an effective national industrial policy, it is essential to have the corresponding attitudes among the broad social masses or, as some of my comrades say, Russian spirit.

[Naryshkin] Does microelectronics mentioned by you relate to the content of national industrial policy?

[Kokoshin] Certainly. The research conducted at our behest and our own capabilities and foreign experience indicate that here we can end up among the world leaders, although this would require a number of years of the most intense efforts and not only technical inventiveness but also commercial. And we must not fear to challenge those who now are far ahead in this sphere. Here the example could be the Japanese who in the 1950's "threw down the gauntlet" to the United States in the area of automobile construction and, somewhat later, in electronics where at that time the U.S. was the absolute, indisputable leader.

One of the basic conditions for success in shaping and implementing a national industrial policy I consider to be the providing of support for market-oriented leaders of our emerging industrial corporations. Many of them have had careers in the defense industry, where traditionally was concentrated first-class personnel of engineers and organizers, where the traditions were strong for fighting for the superior world level of technical achievements.

Precisely such strong leaders can create and are already creating new types of organizations in industry, a sort of diversified industrial corporation with various forms of ownership conforming to the market conditions.

[Naryshkin] At present, as I have learned, you together with the Ministry of Economy and the Ministry of Industry are working on determining, proceeding from the defense needs, what enterprises can be auctioned off and which are to remain purely state.

[Kokoshin] I should point out that many prominent figures in the defense complex favor the number of state enterprises to be minimal, while defense production should be part of the diversified joint-stock companies.

[Naryshkin] How do you intend to do business with such diversified corporations for whom the main criterion is profit and profitability?

[Kokoshin] The Russian Ministry of Defense is oriented at creating a system of new economic incentives and legal guarantees for a reliable interaction between the client and the suppliers; these would replace the old state orders. This system would take the form of concluding a contract or economic agreement between the Ministry of Defense and its suppliers with the setting of strict, mutual obligations for the parties.

Under the conditions of the arising market relations, the contract should be the main and in the long run the only instrument for managing a defense order. We already have a draft for such a standardized, standard contract and this has still to be worked over in the various state services.

[Naryshkin] At present a significant portion of our defense industry is in a state of conversion and diversification. What additional problems arise in this context?

[Kokoshin] Russia already has a whole series of examples when it has been possible rather quickly to convert defense enterprises to completely different ownership principles. They are confidently increasing the volume of produced civilian products as well as their profitability under the conditions of the general profound economic crisis.

The defense industry is a major burden for our economy and at the same time its enormous reserve (particularly for highly-skilled personnel) and this still has not been effectively used, including as a result of the major shortcomings in the initial plans for conversion.

[Naryshkin] Does the potential of the defense industry give us additional chances to succeed in foreign markets?

[Kokoshin] Our defense industry, when properly focused, is perhaps the main national resource of competitiveness in the area of industrial products (particularly scientific-intensive products) and services.

A number of studies conducted at our request by a series of scientific centers on world markets for high- and medium-level technologies in comparison with the capabilities of industry indicate that many of the conversion defense enterprises have not bad chances for winning a place on these markets, although this will be a significantly more

complex matter that was conceived of before by a majority of the leaders of our enterprises.

This applies to a whole series of types of space equipment (primarily to missile construction), to the aviation industry, to a number of areas of shipbuilding, the production of high-quality steels and composite materials, to diverse types of laser equipment, the production of computer software and so forth.

The defense industry has shown not bad results in the production of modern oil-pumping, drilling and other equipment. There are major areas for joint production by Soviet and foreign organization of high quality consumer durables, modern medical equipment and equipment for the food industry and agriculture.

[Naryshkin] Will not the interest be lost in the domestic market which certainly is more important for us?

[Kokoshin] In focusing a significant part of the products from our leading sectors on the overseas market, Russia at the same time in a majority of instances would not find it wise to create strictly export-oriented production, as has been done at one time by the so-called "four dragons" of the Asian countries, but also by Germany, Japan and a number of other countries which have achieved major successes in the economy.

The reason for this is again the presence in Russia and the CIS of an enormous domestic market. But it must not be forgotten that we must fight also for our own domestic market. Generally, it is essential to bear in mind that we cannot get by without serious protectionist measures to defend a number of industrial sectors and agriculture.

[Naryshkin] In addition to purely defense production, a number of sectors have a strategic character. This relates chiefly to energy production. As is known the basis for our export potential is the oil and gas complex. What role do you see for it in the next few years?

[Kokoshin] On the part of the West, the interest in this sector is explained not only by economic considerations. Due to the permanently existing threat of an armed conflict in the Near East, the West is interested in a high level of output and export potential for Russia, both for political and military-political considerations. This circumstance must be given full consideration.

At the same time it must not be felt that this interest will help us negotiate better conditions for the deals. All serious studies indicate that the significance of these sectors for ensuring our solvency for the foreseeable future will remain crucial. Moreover, it will clearly be hard for us to meet our own domestic needs for raw materials without attracting significant capital and technology from outside. With the correct organizing of things, such a step can substantially increase the extraction of oil from the beds. As is known here we lag substantially behind the international standards.

On the other hand, the hypertrophied development of the fuel and energy complex entails the danger of reinforcing our country as a sort of raw material periphery for the

developed world. This is more than unacceptable with the proportional amount of raw material sectors dropping in the world, capital intensiveness is rising while income potential is dropping. In the long-range strategic plan, setting our hopes on these sectors is just as unacceptable for us as the locating of ecological polluting production on Russian territory

[Naryshkin] The task of entering foreign markets is new for our defense industry. Clearly the orientation to resolving domestic problems would presuppose the appropriate organizational structure and would shape definite stereotypes in the approaches to solving the problems. What changes might be required here?

[Kokoshin] The desire to integrate Russia into the world economy and emerge on the markets for superior- and medium-level technologies requires the completely different positing of the question of the optimum sizes of our enterprises and organizations, including the nature of the measures to demonopolize our industry. In order to be competitive on the world markets, we possibly need a different character and different scales of production, its concentration and organization.

[Naryshkin] In the discussion of the prospects for our economic development, much attention has been given to the problems of attracting foreign investments. What are your views on this problem?

[Kokoshin] Under present-day conditions this is becoming an ever-more complicated matter. Regardless of the enormous volumes of our market, its attractiveness for the West has recently begun to decline markedly for many parameters.

In seeking an influx of foreign investments into Russia and in assisting by measures of state control in supporting their profitability, we should at the same time calculate carefully where the foreign exchange injections are most desirable and where unacceptable from the viewpoint of sovereignty and national security.

Peasants Coping With Economic Transformation

Peasants Pessimistic About Future

934A0154A Moscow ROSSIYSKAYA GAZETA
in Russian 28 Oct 92 p 3

[Article by Victor Nefedov, deputy chairman of the Statistics Committee of the CIS: "Farmers Do Not Believe in Tomorrow"]

[Text] Despite all the difficulties, the number of privately owned farms in the countries of the CIS continues to grow. On 1 October 1992 in Russia, there were already 148,700 (at 42 hectares of land calculated per farm); in Ukraine, the figure was 11,600 (18.8 hectares), in Belarus—2,000 (18.9 hectares), in Kyrgyzstan—9,400 (25.8 hectares), in Uzbekistan—4,700 (7.9 hectares), in Moldova—284 (2.8 hectares), in Azerbaijan—219 (35 hectares), in Turkmenistan—100 (10.5 hectares), and in Tajikistan—four (16.3 hectares).

According to the most recent data, peasant farms in Armenia numbered 228,800 (1.3 hectares per farm); in Kazakhstan, the figure was 7,800 (274 hectares). In all, throughout the Commonwealth, the number of peasant (privately owned) farms topped 400,000, of which the area of land comprised more than 9 million hectares.

In Russia since the beginning of this year, more than 100,000 privately owned farms have been registered; 3,300 such farms ceased to operate. More than 500 farms were established by military personnel released into the reserve force.

Farming is most widely practiced in Krasnodar Kray (more than 13,000 farms), Rostov, Saratov, and Volgograd Oblasts, and Stavropol Kray (5,000-6,500); Perm, Chelyabinsk, Novosibirsk, Samarka, and Moscow Oblasts, and Altay and Maritime Krays (3,300-4,200).

All that is the qualitative side of the farming movement. But what are its qualitative aspects?

A large portion of the area under cultivation (71 percent) in the Russian farms examined this year was sown with cereals; more than a third of the farmers' area under cereals was sown with wheat crops; another third, with barley; a tenth, with oats; seven percent, with sunflowers for seeds; 14 percent, with fodder grains. At the same time, such labor-intensive crops as vegetables were cultivated on 0.4 [percent] of the area under cultivation, and potatoes—on two percent.

Privately owned farms are still extremely poorly built up. Thus, on 100 farms examined in Russia, there are 55 tractors (at the beginning of this year there were 48), 23 trucks (17), and 11 combine harvesters (eight). A certain rise in the provision of farmers with equipment is connected to some extent with the fact that, in the course of reorganization of kolkhozes and sovkhoses in the first half of this year, 23,300 private farms were formed, to which was transferred part of the property of the kolkhozes and the sovkhoses. All told, of all of the agricultural equipment at the farmers' disposal, 10-15 percent was received free of charge; 20-30 percent is rented or leased; and about two-thirds of the tractors, trucks, and agricultural machines and equipment, and more than half of combine harvesters are purchased.

More than half of the livestock accommodations of the farmers examined in Russia were not provided with plumbing, and a third—with electricity; almost a third do not have normal access roads. On average, one farm has four cattle (including one cow), two swine, and six sheep and goats.

In beginning their business, farmers experience especially great difficulties with runaway inflation, with the sharp increase in the prices of equipment, fuel, building materials, and other resources, which have become simply too expensive for farmers to afford. Judge for yourself—in the first half of this year, as compared with the first half of last year, wholesale prices for tractor ploughs, tractor seeders, and potato-harvesting combines grew by a factor of 13-17, those for tractor-cultivators—by a factor of 20, and those

of mineral fertilizers—by a factor of 12. For example, a compact tractor T-25, desirable for any private farm, cost 8,000 rubles [R] at the beginning of 1991; at the beginning of 1992 it cost R72,000, and now it costs R97,000; the price of a seeding machine has gone up to R30,000-R50,000. At the same time, purchase prices of animal produce have risen by a factor of four to six. And it is not accidental that the majority of the farmers questioned (four out of five) saw as the main brake on the development of their farm the high prices of equipment and building materials; two-thirds referred to the shortage of special equipment, seed, fertilizers, and other material-technical resources; almost half mentioned difficulties in getting credits, and high interest rates.

Many farmers are not confident about tomorrow. Half of the Russian farmers questioned do not believe in the long-term character of the agrarian reform under way. From 15 to 20 percent pointed to difficulties in getting land, to obstacles on the part of the leaders, and the negative attitudes of the population toward them.

Land Document Term Extended

934A0154B Moscow ROSSIYSKAYA GAZETA
in Russian 28 Oct 92 p 3

[Unattributed article: "There Will Be Time To Understand the Particulars"]

[Text] The Committee of the Supreme Soviet of the Russian Federation on the Social Development of the Village, Agrarian Issues, and Provisions Supply proposes to extend the period of distribution of documents for land to citizens until 1 January 1995, and to judicial entities—until 1 January 1993.

This is discussed in the draft law "On the Introduction of Changes in the Law of the Russian Federation 'On Land Reform,'" which was introduced on 26 October by the committee at the session of the Presidium of the Supreme Soviet of the Russian Federation.

Under discussion are personal and dacha plots, and also plots used for garages and also various household buildings. In cases with legal entities—enterprises, establishments, and organizations—what is meant is land used for buildings belonging to them. The previous wording of the corresponding article of the law limited the period of the receipt of documents for land to December 1992.

Agrarian Party Established

934A0154C Moscow SELSKAYA ZHIZN in Russian
27 Oct 92 p 2

[Unattributed report: "For the Agrarians—Their Own Party"]

[Text] On 22 October 1992 in Moscow Oblast, an organization committee was formed for the creation of the Agrarian Party of Russia (APR). At the organizing committee's first session, specialists, people's deputies of all levels, and representatives of a number of agricultural enterprises of the Moscow area resolved that, under conditions of political and economic instability, an orgy of

crime, and the sharp decrease of the social defense of the toilers and residents of the village, a sociopolitical structure is necessary, whose main task would be the defense of civil, political, social, economic, and cultural rights and interests of the peasants and workers in different spheres of the agro-industrial complex.

G.S. Markin, director of the Dawn of the Moscow Area State Pedigree Breeding Farm, Domodedovskiy Rayon, was elected chairman of the organizing committee on the creation of the Agrarian Party of Russia in Moscow Oblast

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Struggles With Concepts of Land Ownership

Government Handling of Land Reform Criticized

934A0174A Moscow ROSSIYSKAYA GAZETA
in Russian 3 Nov 92 p 3

[Article by Yelena Tokareva: "Invisible Government of Russia is Again Hiding Behind the People"]

[Text] There has long been ownership of land in Russia. Yet now the discussion is about trade in land. That is how, at the press conference, the members of the Supreme Soviet formulated the purpose of the referendum which certain circles close to the government are trying to achieve.

Both the draft of the new presidential edict on land banks and the effort to organize a referendum with the clever appeal of introducing ownership of land—this is rushing the radical transformation of the national wealth, the land, into a commodity.

The members of the Supreme Soviet speaking before journalists proposed analyzing the legislative statutes on land, their points and articles concerning ownership. For this purpose, each person was given a packet of documents containing excerpts. These were articles from the Russian Federation Constitution, from the RSFSR law "On Land Reform," "On the Peasant Farm," "On Ownership in the RSFSR," articles from the "Land Code," and many others. This was done for the purpose of clearly demonstrating the fact that ownership of land by a citizen of the Russian Federation has been formulated in all its legal statutes. This is an inalienable right of each of us. However, the procedure for obtaining land as the property of citizens provides for the mediation of the question by the state, and not by private banks. Moreover, the right to sell land is limited in time: A moratorium of up to 10 years, as well as by the fact that the the buyer is once again the state as represented by the Soviets.

The Supreme Soviet Committee on Social Development of the Farm has formulated a reason, according to which it is blocking the path to immediate transformation of land into a commodity. That is, arable land will inevitably become the object of purchase and sale, and today in Russia there is less of this land per capita of the population than in the USA and Canada. Russia is a country of dwindling fruitfulness. There is much land, but less and less of it is becoming suitable for farming. The fear of the fact that land intended for food production will be used for

other purposes is what prompts the agrarians to protest against unlimited trade in land.

The Supreme Soviet has surpassed the reform government in terms of informing the population of its position. Ten days ago in the House of the Press, a clerk from the Ministry of Press and Information called journalists together to try to convince them to write sympathetically about the referendum undertaken by the "hard" democrats. In other words, they recommended that we advertise a radical project, that we "move reforms in Russia." In response, the journalists asked for more information about how the government intends to introduce the presidential edicts, and about the procedure for purchase and sale of land.

They reminded us that when Roosevelt or Reagan implemented reforms in the USA, they took on the responsibility of addressing the people every week and explaining their policies. Our government, however, may be called the "invisible government." Instead of meeting regularly with the mass media and responding to unpleasant questions about the consequences of certain actions, it prefers to hide behind the people, behind referenda, behind the letters of workers, or to present a 10-minute a day monologue on television. We cannot implement radical reforms in the name of the people. After all, when Gaydar took the country along the path laid out by the MVF [International Monetary Fund (IMF)], he did not ask the people's opinion at any referenda.

From this sorry circumstance, we may draw some sorry conclusions: The government does not want to be caught on its word. So that later it can say: You wanted this, you got it...

Parliament Debates Private, State Ownership

934A0174B Moscow SOVETSKAYA ROSSIYA
in Russian 3 Nov 92 p 2

[Article by Vladimir Isakov: "Land in the Noose"]

[Text]

CHRONICLE OF THE RE-ALLOTMENT

On Saturday, in responding on television to the question regarding the expediency of holding a referendum on private ownership of land, Aleksandr Rutskoy said, specifically: "Turn to the Constitution. There, in fact, provision has already been made for private ownership of land with the right of inheritance. But there is no mechanism for acquiring this land." In the words of the vice-president, "today both the Soviets and the administration are promoting lawlessness in terms of allocation of land. Land is being pilfered, land is being stolen, bribes are being taken for land, and land is being sold at auction. If we continue in our failure to create a normal mechanism of land distribution and protection of the rights of ownership, then we will not resolve anything."

An ever greater number of St. Petersburg residents would like to become landowners. This fact was confirmed by the

results of a survey conducted by sociologists in the city on the Neva. In half a year, the number of such citizens has increased by 17 percent. Almost half of the city residents would like to receive a plot of land to own, so that they can grow food products for their family. However, the portion of those who believe themselves to be fully capable of purchasing such a plot for their personal savings has significantly declined due to inflation.

Scientists have also noted an increase in skepticism among the main mass of the population in evaluating the policy of privatization implemented by the government. The number of those who expect negative results has increased in half a year from 18 to 31 percent.

In Ramenskiy Rayon of Podmoskovye, in the 10 months of this year, 3,000 land plots have been allocated to residents of the rayon and the Podmoskovye region. And on Saturday an auction was held here, in which nine lots were sold, ranging in size from 10 to 20 sotoks each. About 15 people gathered to participate in the sale. The nine lots, each of which was offered for sale by one of the rayon's rural soviets, had a starting price of from 350,000 to 1,200,000 rubles [R]. The cheapest lot—20 sotoks—was sold for R650, while the most expensive one—18 sotoks in the summer resort village of Kratovo—went for R3,050,000. Eighty percent of the proceeds from the auction will go to the rural soviet's budget.

The decision has been made to refrain from collecting signatures for holding a referendum on land at the meeting of the Ryazan Oblast organization of the Russian Democratic Party. Its participants fear that the hasty introduction of private ownership may turn the land which is our source of subsistence into an object of purchase and sale, and would thereby facilitate the emergence of a new type of "domestic mafia"—the latifundists [large landed property owners].

LAND! LAND! What is this, another battle cry about discovering America? No, they are once again dividing up land in Russia.

Two years ago, in the period of the electoral campaign, I was a decisive proponent of private ownership of land.

My work on draft laws on agrarian reform and my contact with a broad circle of specialists—practical agrarians, scientists, and experts—allowed me to become more closely acquainted with this problem and to largely review and correct my initial notions. For example, I discovered for myself that in the capitalist countries, private ownership of land is certainly not mandatory. Moreover, the countries with the most effective agriculture (Holland and Israel) have state ownership of land! Yet in the places where private ownership is proclaimed and is protected by law, this certainly does not mean that any and every person may buy a plot of land. The government keeps a close eye on the primary national wealth—the land.

My doubts were reinforced after studying the letter of 23 leading scientists from the United States, specialists in the sphere of economics and agrarian law. Unlike the experts who are clinging all over the Russian government, they are rather cautious in their recommendations:

"There is a danger that you will follow our lead, allowing private parties to obtain a large portion of the ground rent. It is important that the ground rent remain a source of revenues for the state..."

"Some economists say that rent may be collected in favor of society, simply by selling the land at auctions. There are a number of reasons why this idea is unsound. First of all, there is so much land for transfer to private hands, that any measures for its sale over a short period of time would lead to a great decline in the prices offered for the land. Secondly, certain persons who could make very good use of the land will not be able to save up enough money to buy it. Thirdly, subsequent sale of the land would allow speculators to obtain great profits which are not associated with any services which they may offer. This will lead to unnecessary injustice and dissatisfaction. Fourthly, the concern about political conditions in the future will have a tendency to reduce the offers to buy land. The annual collection of rent would allow citizens of future years to get the advantages created by good policy in the future. Fifthly, in view of the fact that investors do not like to take risks, the general insecurity about the future will have a tendency to reduce the prices offered for the land. This may be avoided by defining the future rent payment in accordance with the future conditions. Finally, it will be fairer if future ground rent goes to future generations, and not to today's citizens."

So that is how it is! The "sharks of capitalism" do not consider it shameful to talk of fairness. They worry about depriving the future generation of its fair share. Yet our homegrown "marketeers" are not particularly interested not only in the future generation, but also in the present one. The main conclusion of the American scientists is the fact that the key to prosperity lies not in the form of ownership on land, but in the mechanism of utilizing the income.

Nevertheless, what form of ownership is more effective? To which of them does the future belong? I cannot agree with those who synonymously give preference to private ownership. And it is not even a matter of the "specific mentality," "traditions," and "cultural peculiarities of Russia," about which they speak so often. Present-day conditions of economic activity—the exhaustion of resources, the pollution of the environment, the energy problems—lead to the fact that the sphere of action of market mechanisms is objectively narrowing, while the role of state regulation is increasing.

The Congress of People's Deputies, having established the right of ownership on land, has nevertheless limited it with harsh but fair guidelines: The sale or other alienation of a land plot is permitted only for the state as represented by

the Soviets of People's Deputies. Moreover, the alienation of a plot is not permitted for a period of 10 years from the moment of its purchase-sale.

Developing this principle of the constitution, the Russian Federation Land Code guaranteed the granting of land to citizens for ownership, lifetime inheritable ownership, or lease, at their discretion. Moreover, for the purpose of conducting farming (peasant) and personal subsidiary economic activity, according to the law, the land may be given to ownership free of charge. The law established that in the case of imprudent application (actual crop yield within five years is 20 percent below the standard), as well as in the case of changeover of valuable lands to less valuable ones, the land plot (after a warning and a fine) may be taken away from the owner in judicial order. But at the same time, the law guaranteed the farmer non-intervention of the state in his economic activity, and judicial protection of his rights.

It is difficult to refrain from trying to copy the entire Land Code word for word. Yes, we may also present some serious claims against this law: Under pressure from the "democratic" part of the deputy corps, thanks to the non-discerning nature of the chairman of the committee on legislation at that time, S. M. Shakhrai, principles which were not well thought out found their way into the law, and in a number of instances it went beyond the framework of the constitution. Yet one other thing cannot be doubted: Despite all its shortcomings, a step has been taken toward civilized regulation of land relations, which takes into consideration the specific realities of the transition to a market economy.

Nevertheless, soon after the code was adopted, they started to circumvent it, and to directly and openly discredit it. Judge for yourselves.

On 27 October 1991 the presidential edict, "On Immediate Measures for Implementing Land Reform in the RSFSR," was adopted. It, contrary to the constitution, permitted the privatization of land. The right of purchase-sale of land was granted not to the Soviets, but to the agencies of executive power—the local administration. A series of measures was provided for the reorganization (and in fact—the liquidation) of the kolkhozes [collective farms], sovkhozes [state farms] and agro-industrial associations. An appeal to the Constitutional Court demanding that this edict be ruled unconstitutional is still awaiting review.

On 25 March 1992, the edicts, "On Sale of Land Plots to Citizens and Juridical Persons During Privatization of State and Municipal Enterprises," was issued. Contrary to the law, it permits privatization of the land together with the enterprise, and permits the acquisition for ownership of land plots to be used for "entrepreneurial activity."

On 14 June 1992 the edict, "On Ratifying the Procedure for Sale of Land Plots in Privatization of State and Municipal Enterprises, Expansion and Additional Construction of These Enterprises, As Well as Land Plots Granted to Citizens and Their Associations for Entrepreneurial Activity," was issued. In violation of the Land

Code (Article 7) and the decision of the VI Congress of People's Deputies, the edict permitted the sale of land plots to ownership of foreign citizens and foreign organizations.

On 14 October 1992, the edict, "On Sale of the Housing Fund, Land Plots and Municipal Property for Privatization Checks," was issued. The edict permitted the use of an unlawful means of payment—privatization checks or vouchers—for the equally unlawful purpose of buying and selling land.

The string of edicts which we have followed step by step leads to a synonymous conclusion: There is an ongoing conscious and goal-oriented disintegration of the land legislation and its constitutional principles, and an undermining of the stability of land use relations.

Why? Who needs this? The answer is generally clear: Those who strive to turn the land into an object of capital investment, into a commodity which never loses its value, need it. Those who want to pocket the difference between the state (standard) and market price of the land. Those who have already concluded deals for the sale of entire streets and city microrayons, but as yet cannot legalize these deals. Those who intend to use land to secure foreign loans, so as to have the opportunity to draw them in the future. Those are the ones who are shouting most of all: "Land!", "Land!", and angrily demanding: "Give the land to the people!" In other words, to them.

A curious episode is the formulation of the fund for re-allotment of land. The edict of 27 December established an "average rayon standard for free transfer of land to the ownership of citizens." Do you feel the familiar motives: Once again, "an average" and again "to all equally?" Such is our market government: When it is profitable for it to do so, it does not hesitate to exploit the "ideals of socialism!" And in this case—it is indeed profitable. The kolkhozes and sovkhoses are being given land "by the average" in accordance with the number of workers. Thus, crops are being lost, crop rotations are disrupted, and highly profitable farms with intensive technologies are finding themselves "belly up." None of this worries the authorities. You want more land? Here you are, buy it. If you are unable to buy it—the land goes into the re-allocation fund and is sold at the standard price or at auction. And they do not seem to understand that already the first step in this operation—the confiscation of land—is illegal. The president does not have this right.

Some among the apologists for private ownership hold the illusions that everyone will buy land, while they, as pioneers of the market economy, will get it for free. Oh, holy naivete! Why, in what way are you better than all the rest? As soon as the government secures itself in power, it will break the lease agreements and will offer all the land for sale. There has already been an effort to do so: A wave of panic rolled across the country and forced a retreat. They did not time it well, they missed. Yet I am convinced that at the very first convenient opportunity, they will start up

again. And then the discussion will be short: You have no money to buy up the land? Excuse me, then let him who has the money buy it!

When I try to look into the future, to understand where this "land reform" will lead us, or more precisely—this adventure, my heart grows cold. I see clearly how the paths cross of people who own the land by law and are unlawfully deprived of it, and people who have received land by edict. Both will stand to the death for their rights.

The land question, the dispute over the right to land, has many times been the detonator of civil war. Knowing this, not one government, not one president, if they wish good for their people, will ever even come close to this boundary. Since ahead there lies murder, violence, and blood. Yet our authorities have tightened the noose with their own hands.

Rural Development Committee Press Conference

934A0174C Moscow SELSKAYA ZHIZN in Russian
3 Nov 92 pp 1-2

[Article by Konstantin Shcheglov, SELSKAYA ZHIZN political observer: "As In Conscience, One Does Not Trade in Land"]

[Text] Considering the acuteness of the discussion developing in society about private ownership of land and about its purchase and sale, the Russian Supreme Soviet Committee on Social Development of the Farm, Agrarian Questions and Food held a press conference for parliament-accredited journalists. For this reason, we are bringing this discussion to our readers.

Without Looking at the Church Calendar, Ring the Bell!

That is just how committee chairman V. Agafonov evaluates our current passions about the land.

"The discussion which has developed between the parties and movements, and the fiery polemics in the press," he said, "have as their goal to convince the population of the fact that supposedly the absence of private ownership of land is one of the primary conditions hindering the course of reforms, that this is where the reason is concealed for the crisis which has afflicted economics and our entire national economy. Here, so to speak, is the crux of the preparations for holding the referendum which are currently underway. In word, this referendum is to be on private ownership of land, but in deed—on its purchase-sale and resale."

What is the committee's position regarding this referendum? We are decisively against holding it now. Why? It is quite enough to take the currently effective Russian Federation Constitution, to look at its Article 12, at the laws on land reform, and on peasant (individual) farms and others, at the Land Code, and at the resolutions of the Congress of People's Deputies in order to become convinced that the questions of ownership of land, including private ownership, have been resolved.

Let me refer to paragraph 4 of the II (extraordinary) Congress of People's Deputies resolution, which secures the multiplicity—state, kolkhoz-cooperative, private (I emphasize—private), and collective-share—forms of land ownership, and defines the procedure for its purchase and sale. At this same congress, as we know, appropriate amendments were introduced to Article 12 of the effective constitution (which have been retained also in the Law on Land Reform and in the Russian Federation Land Code): "...within 10 years from the moment of acquisition of rights of ownership of a land plot, its purchase-sale is not permitted;" "the sale or other alienation of land plots, except for transfer by inheritance, are possible only for the state as represented by the Soviets of People's Deputies on whose territory the land plot is located." The latter are obliged (!) to acquire it.

I believe it is clear why the question of purchase and sale is defined in this manner. In order, first of all, to exclude any negative occurrences at the first stage of land reform, during the realization of this principle which is being adopted in our land relations for the first time, to prohibit the re-sale of land, speculation in it, or profits by unscrupulous dealers.

And when they try to convince the people that the agrarian deputies, the agrarian committee or the Supreme Soviet as a whole do not want to resolve the land question, that they are setting up some kind of intrigues, this is nothing but a distortion of the facts. Or else an attempt to confuse those who are not familiar with either the currently effective constitution or the laws.

Like my colleagues, the agrarian deputies, I want to remain sincere and totally honest to the end before the people and before the country. The question is being raised not about ownership, but about the unregulated purchase-sale of our primary wealth, about whether we should, having defined the land as a commodity, put it into sticky hands and squander it. This means, we should tell this directly to the people, including first of all—to the rural residents, those who work on the land. After all, as sociological studies confirm, they too are speaking out for private ownership of land, having in mind the orchards and gardens, and the subsidiary farms. Just like the city residents, who are thinking about collective orchards and dacha [summer resort] settlements where they relax, and about the parking areas and garages for their automobiles. What prudent person would object to this? So, we must do this without delay. The people have this right, and it is unlikely that anyone is capable of hindering them from realizing this intention.

Yet these same studies show that the common factor uniting both urban and rural residents is the lack of acceptance of free, totally unregulated, purchase and sale of land, relegating it to the status of being a commodity.

During the land reform, the citizens of Russia have additionally received (by status on 20 October) 9.2 million hectares of land. Nineteen million families have received land plots, including 16 million urban families. Today in Russia there are almost 150,000 peasant (individual)

farms, and 21,000 small agricultural and specialized livestock raising collectives, which have been given 5.5 million hectares of land. All these land areas are today in the full ownership of citizens.

Is this a little or a lot? According to V. Agafonov's deep conviction, it is little. In the time which has elapsed since the start of the reform, much more land could have been handed over for ownership by citizens and collectives. After all, today nothing keeps one from acquiring land. Although, of course, it would be a sin not to recall the following folk saying:

Measure Seven Times, Cut Once

This is the principle which the agrarian deputies are proceeding from in completing work on the draft of the Principles of Land Legislation.

"This draft law contains much that is new, that will make it possible to intensify land reform and to improve land relations, including also questions of ownership," emphasized committee Deputy Chairman I. Altukhov. "There is provision, specifically, for a section on 'Sale of Land Plots by their Owners.' We hope that the principles and positions laid down in it will allow us to avoid the negative consequences of introducing the institution of purchase and sale of land."

What kind of negative consequences could these be? Unlawful operations with land, or more simply—speculation, latifundism (large-scale buying up of land by those who, so to speak, hang around the commercial kiosks today and hide behind them), and finally—monopolism. If the latter today bears a state character, in a very short time it may change into an even more dangerous variant—private monopolism which, we might add, all civilized countries have long ago left behind.

In order to reduce all these negative consequences to a minimum (it is unlikely that we will be able to avoid them by 100 percent!), certain limitations have been introduced into the draft. Land plots to be used for orchards, gardens, personal subsidiary farms, or individual livestock raising may be sold three years after their allotment. Plots on which houses, dachas and garages are built may be sold immediately after adoption of the Principles of Land Legislation. As for large farm land plots, those farmers who have acquired them for payment, i.e., purchased them, will be able to sell the land five years after acquiring it. However, if they received the land plots free of charge—they may sell them in 10 years: After all, one must earn this right of sale!

So as not to permit the flourishing of latifundism, there are proposals to limit the size of private land holdings. Moreover, this will be done not in the center, but by the subjects of the Federation themselves.

And finally, payment is being introduced for land sale transactions. When we speak of buying or selling a house or an automobile—a duty is paid. The same provision shall be made also in the formulation of land deals. However, there are plans also to introduce a tax, if the land is sold

prior to the time established by legislation, in the case of difference in price during purchase and sale, etc.

Nevertheless: Will the referendum be held if the "zealots for the land" collect a million signatures before 15 November, as is provided?

I could not wait, and pointedly presented this question at the press conference.

V. Agafonov did not "stake his all:"

"We are counting on the wisdom of the parliament..."

The chairman of the "Agrarian Union" parliamentary faction, M. Lapshin, was more categorical:

"The same fate will befall this endeavor as the effort to organize a referendum on the early recall of the president. The number will not pass. And for a very simple reason: It is not provided by the constitution. Let us return to that same Article 11, which no one has yet repealed: '...within 10 years from the moment of acquisition of the rights of ownership on a land plot, its purchase or sale is not permitted.' Subsequently, the question of purchase and sale of land plots may be resolved in the procedure established by the RSFSR Congress of People's Deputies (bold-face mine—K. ShCh.), or by people's vote (referendum)."

A Necessary Postscript

Like almost four million of our subscribers—people who, as a rule, live and work on the land, the editors of SELSKAYA ZHIZN cannot help but be concerned about its fate. This is why presentations by journalists and by our staff of authors in defense of our "wetnurse-mother" [land] are so frequent on the pages of our newspaper. This is why in recent times the voices of alarm are constantly

resounding from our newspaper articles: "As in conscience and honor, one does not trade in land!"

Today, in this alarming hour, not only do we have the right, but we simply must turn to our readers, to rural residents, to all for whom Russia is dear, with an appeal to raise their voices in defense of our mother earth. Its fate is in your hands.

Shumeyko Directive on Food Supplies for Far North, Moscow, etc.

934C0213A Moscow ROSSIYSKAYA GAZETA
in Russian 24 Oct 92 p 5

["Directive of the Government of Russia of 28 September 1992 No. 1785-r, Moscow"]

[Text] With a view to guaranteeing the supply of the population of the regions of the Far North, of the cities of Moscow and St. Petersburg, of industrial centers and military and equivalent consumers, and also of other centralized recipients:

1. To establish in the fourth quarter of 1992 the volumes of deliveries of meat and meat products, of milk and dairy products, and of eggs and egg products for the state needs of the Russian Federation and the subsidies for these products from the state resources by republic within the Russian Federation, and by kray and oblast, according to Tables No. 1 and No. 2.

2. The organs of executive power of the republics within the Russian Federation, the krays, and the oblasts, are to guarantee the delivery of animal husbandry products for the state needs of the Russian Federation in the established volumes.

[Signed] First Deputy Chairman of the Government of the Russian Federation V. Shumeyko

Table No. 1. Volumes of the delivery of meat and meat products, milk and dairy products, and eggs and egg products for the state needs of the Russian Federation in the fourth quarter of 1992.
(In thousands of tonnes; eggs—in millions of units.)

	Meat and meat products	Milk and dairy products	Eggs and egg products
Republic of Karelia			5.3
Republic of Komi			6.5
Arkhangelsk Oblast			10.5
Vologda Oblast	1	12	8
Murmansk Oblast			10.5
Leningrad Oblast	17	50	280
Novgorod Oblast	1	3	4
Pskov Oblast	2	10	4
Bryansk Oblast	1		10.5
Vladimir Oblast			6
Ivanov Oblast			11
Kaluga Oblast	2.1	20	10
Kostroma Oblast	1.1	12	4.5
Moscow Oblast	6	55	430
Orel Oblast	4.5	25	5.5

Table No. 1. Volumes of the delivery of meat and meat products, milk and dairy products, and eggs and egg products for the state needs of the Russian Federation in the fourth quarter of 1992.
(In thousands of tonnes; eggs—in millions of units.) (Continued)

	Meat and meat products	Milk and dairy products	Eggs and egg products
Ryazan Oblast	4	25	5.5
Smolensk Oblast	3	15	7.5
Tver Oblast	6	5	11.5
Tula Oblast		1	9
Yaroslavl Oblast			9.5
Republic of Mari El	2	4	7
Mordvinian SSR	2	8	4.5
Republic of Chuvashia	4.5	7	10
Kirov Oblast	4.5	17	17
Nizhegorod Oblast			20
Belgorod Oblast	13	30	4.5
Voronezh Oblast	15	25	40
Kursk Oblast	6	25	9
Lipetsk Oblast	3	10	13
Tambov Oblast	4	8	15
Republic of Kalmykia	2		1
Republic of Tatarstan	1.5	12	22.5
Astrakhan Oblast	1		
Volgograd Oblast	7	8	14.5
Penza Oblast	6	25	10
Samarka Oblast			17.5
Saratov Oblast	6	20	18
Ulyanovsk Oblast	2	8	11.5
Republic of Adygea	1	3	4
Karachay-Cherkessia SSR	1	3	
Krasnodar Kray	32	85	95
Stavropol Kray	15	45	42.5
Rostov Oblast	12	10	21
Republic of Bashkortostan	2	20	22.5
Republic of Udmurtia	2	11	12
Sverdlovsk Oblast			34
Kurgan Oblast	9	30	3.5
Orenburg Oblast	8	15	23
Perm Oblast			12.5
Chelyabinsk Oblast			29.5
Republic of Altay	1.5		
Altay Kray	14	52	26
Kemerovo Oblast			10
Novosibirsk Oblast	9	30	28
Omsk Oblast	8	27	18
Tomsk Oblast			5
Tyumen Oblast			30

Table No. 1. Volumes of the delivery of meat and meat products, milk and dairy products, and eggs and egg products for the state needs of the Russian Federation in the fourth quarter of 1992.
(In thousands of tonnes; eggs—in millions of units.) (Continued)

	Meat and meat products	Milk and dairy products	Eggs and egg products
Republic of Buryatia	1.5		6
Republic of Tuva	0.5		
Republic of Khakassia	1		3
Krasnoyarsk Kray	4	21	34
Irkutsk Oblast			20
Chita Oblast			3.5
Maritime Kray			15.5
Khabarovsk Kray			15.5
Amur Oblast		7	9
Kamchatka Oblast			1
Magadan Oblast			5
Sakhalin Oblast			6
Kaliningrad Oblast	1.5	17	13

Table No.2. Subsidies of the delivery of meat and meat products, milk and dairy products, and eggs and egg products for the state needs of the Russian Federation in the fourth quarter of 1992.
(In thousands of tonnes; eggs—in millions of units.)

	Meat and meat products	Milk and dairy products	Eggs and egg products
Republic of Karelia	1	10	
Republic of Komi	3	15	
Arkhangelsk Oblast	1	10	
Murmansk Oblast	2	20	
Astrakhan Oblast		5	
Health resorts of Karachay-Cherkesskaya SSR	0.6	3	3
Health resorts of Krasnodar Kray	7	50	45
Health resorts of Stavropol Kray	4	35	20
Republic of Dagestan		13	
Republic of Kabardino-Balkaria		4	
North Ossetian SSR		15	
Perm Oblast	3	25	
Sverdlovsk Oblast	10	50	
Chelyabinsk Oblast	4	30	
Kemerovo Oblast	9	50	
Tyumen Oblast	4	10	
Republic of Khakassia		5	
Republic of Buryatia		3	
Republic of Tuva		2	
Irkutsk Oblast	2	15	
Chita Oblast		10	
Republic of Sakha (Yakutia)	4	20	5
Maritime Kray	2	20	
Khabarovsk Kray	2	20	

Table No.2. Subsidies of the delivery of meat and meat products, milk and dairy products, and eggs and egg products for the state needs of the Russian Federation in the fourth quarter of 1992.
(In thousands of tonnes; eggs—in millions of units.) (Continued)

	Meat and meat products	Milk and dairy products	Eggs and egg products
Jewish Autonomous Oblast	0.5		
Kamchatka Oblast	2	8	
Magadan Oblast	2	15	
Sakhalin Oblast	2	10	
City of Moscow	255	1500	427
City of St. Petersburg	70	400	240
Glavalmazoloto corporation	9.3	73	5
Norilsk Nickel concern	2.5	15	8.3
Ministry of Atomic Energy of Russia	30	200	110
Department of Maritime Transport of the Ministry of Transport of Russia	4	12	6
Glavspetsstroy of Russia	2	3	2
Ministry of Communications of Russia	20	180	140
Department of Chemical and Oil Industry	2.5	10	5
Gazprom concern	3.8	15	30
Neftegazstroy concern	4.5	15	40
Military Unit 95505	0.7	3	2
Torgrehtans production trade association	1.5	5	5
Transrestoranservis concern	3.8	19	14
Rosrybkhoz state cooperative association		9.15	
Arktikugol trust	0.2		
Military Unit 95006	0.1	0.1	0.05
Transsintzstroy production trade association	2	4	2

Yavlinsky Invited to Novosibirsk To Assist Reform Effort

934C0213B Moscow ROSSIYSKIYE VESTI in Russian
30 Oct 92 p 2

[Article by Andrey Illarionov, under the "Region" heading: "The Phenomenon of Yavlinsky's Siberia"]

[Text] Novosibirsk—The arrival of Grigoriy Yavlinskiy in Novosibirsk, at the invitation of the administration, no less, could not fail to provoke the question: Are the progressive Novosibirsk economists themselves really not in a position to understand the situation in the national economy of the oblast?

However, Yavlinskiy easily dispelled such reasonable doubts. Four months of analysis of the course of the economic reform in Nizhegorod Oblast suggested to him that the structure of the economy and of the social sphere of Novosibirsk Oblast is close to that of Nizhegorod and that, consequently, the recommendations worked out there by Yavlinskiy's group may be suitable here as well. Of course, with a few adjustments and additional study locally.

In answer to the ironic question, which kind of capitalism Yavlinskiy wants to create in Novosibirsk, he answered

that he does not set himself such global tasks. The task is more concrete and more serious: to try to fill the vacuum that took shape during the course of the reform between the state economic policy and the real economic processes in the region.

In the localities, a fair number of rough connections and vague areas really have accumulated, which sometimes present themselves as hopeless dead ends. It is not without reason that the government's declaration of the transfer of the reform's center of gravity to the regions was interpreted in some circles as an attempt to find scapegoats for all the miscalculations of the authors of the reform.

Yavlinskiy assumed in this matter a somewhat intermediate position: While agreeing that the miscalculations of the government in the realization of the reform have been serious, he nevertheless believes that its further course should be entrusted to local initiative and creativity.

Is he managing to do this? Nizhegorod economists told me that Yavlinskiy had succeeded in bringing into practice there mechanisms for the realization of fairly important measures of the reform that may be separate and uncoordinated at this point perhaps, but are also simple and function smoothly. Thus, to register a private business, it is enough for a resident of Nizhegorod today to notify the

authorities about it by mail. The registration is accomplished automatically, and bribes for this are practically ruled out. Also functioning in Nizhny is a system for tracing practical information, which helps the oblast administration to feel the stress in the economic and social sphere during the period of its conception, in order to take anticipatory measures in good time. The people of Nizhegorod also speak about a certain local gasoline loan among the population, which will supposedly soften the transition to the sharply rising price of fuel for the holders of bonds.

And here are Yavlinskiy's first recommendations from which the administration of Novosibirsk Oblast may already take guidance today. The previously stipulated condition of the cooperation of Yavlinskiy's group with the people of Novosibirsk was that the chairmen of the oblast and city soviets, the head of the oblast administration, and the mayor of the city should meet every day at one and the same table, so that decisions should be taken and implemented jointly. Otherwise, nothing would work out. (Incidentally, it is said that such coordinated work in Nizhny helped to avoid abundant, unnecessary correspondence. The execution of decisions improved.)

It was resolved to work out a system of measures on the adaptation of the economy of Novosibirsk Oblast to serious inflation, which, according to Yavlinskiy, will deepen in the months to come.

Acknowledged as necessary was the creation of the oblast's own system of preferential agricultural development loans, including such institutions as a land bank, a grain bank, and a food bank. Under conditions where a large part of the industrial output of the oblast are machine tools, machines, equipment, and items for defense purposes, the sides agreed that it is necessary to engage in a search for profitable markets "absolutely around the clock."

The upcoming allocation of the housing fund from industrial and other state production enterprises will have to be coordinated in time with its transition to the property of the citizens and with the parallel realization of measures to raise their incomes, in order that they might bear the rising costs of maintaining housing.

Repeating a Novosibirsk journalist's offhand remark, people here are comparing Yavlinskiy with Zaytsev, the creator of extravagant clothing, whose models are stunning, but devoid of practical application. Yavlinskiy was flattered by such a comparison; however, the program of fully practical and completely nonextravagant measures proposed by him resolutely repudiates such a comparison.

Gaydar Decree on Compensation to Enterprises in Far North

934C0213C Moscow ROSSIYSKIYE VESTI in Russian
29 Oct 92 p 4

[Text of "Decree of the Russian Federation of 1 September 1992 No. 653, city of Moscow, 'On Compensation to Enterprises, Establishments, and Organizations Located in the Regions of the Far North and in Equivalent Localities of Expenditures on Payments for Rayon Coefficients and Rated Increases'"]

[Text] In execution of the decree of the Sixth Congress of People's Deputies of the Russian Federation "On the Socioeconomic Position of the Regions of the North and of the Equivalent Localities," the Government of the Russian Federation decrees:

1. To establish that for enterprises and organizations located in the regions of the Far North and the equivalent localities, which are realizing their activity on the principles of economic accountability, payments for rayon coefficients and rated increases are included in wage expenditures in accordance with the statute on the composition of expenditures for the production and realization of products (work, services), included in the production cost of the products (work, services), and on the procedure for the formation of financial results taken into consideration in the taxation of profit, confirmed by Decree of the Government of the Russian Federation of 5 August 1992 No. 552.

For establishments and organizations which are financed from the budget, the indicated payments are made from funds provided for by maintenance estimates, and in the event of their insufficiency—from the funds of corresponding budgets.

2. To make this decree effective as of 1 July 1992.

[Signed] Ye. Gaydar

Fedorov Interviewed on Reforms in Sakhalin

934C0222A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 23 Oct 92 pp 2-3

[Interview with Doctor of Economic Sciences Valentin Fedorov, governor of Sakhalin, by KOMSOMOLSKAYA PRAVDA political observer Aleksandr Afanasyev; place and date not given: "The Governor of Sakhalin"]

[Text] When the scandal broke about the land deal by the Kuril authorities with a Hong Kong company; and when one television anchorwoman in Moscow was so confused about the zeros that in the heat of the moment she calculated that it was possible to buy two Volga automobiles at a cost of \$1 million (the price of leasing 287 hectares of Kuril land); and when one of our well-known civilized experts on Japan took it upon himself on the radio to stir up against the Sakhalin administration low-class sentiments that were far from civilized; and when the deputy foreign minister of the Russian Federation, who has exerted so much effort to give the Kurils to Japan, started like a despairing child to demand the resignation of Governor Fedorov; and finally, when the Japanese Ministry of Foreign Affairs, riding this wave across the region, gave it to be understood that since they were incapable, the Kuril islands should approve their actions not with Moscow but with Tokyo; then as on an X-ray image, it became clearer who was who, and not only in a neighboring state but also our own.

The intense scrutiny of islands forgotten by God and the country that flared up outlined sedition in the twilight. In the Kurils they speak with a rare directness for these times. They call something stupid, stupid. They call venality, venality. They call cowardice, cowardice. The mildest

definition is when they add the devastating suffix "san" to the name of a diplomat from Moscow or a journalist who is a lover of the Japanese. And they also express themselves more strongly. One elderly topographer, who in 30 years has come to know every centimeter of the Kurils, was preaching about his love for the islands in the pouring rain at a hotel that was little more than a hut. And the sermon ended with a hopeless wave in the direction of the capital, to the politicians there: "Yes, what can we get from them, for there they are the...." (and this was followed by an expression that showed how much this topographer, who had seen so much of life, doubted some of their not unimportant qualities).

In Russia one can now count on the fingers of one hand the politicians who have power and influence and who have been able to show their position firmly and clearly. In my opinion, they include the governor of Sakhalin and the Kurils, Valentin Fedorov. His position may intensify and develop, but the remarkable thing is that it does not change. He is a figure the more rare because through his achievements and special features he is, and has been, in a key place and at a key time. Doctor of economic sciences, professor, honored doctor of a university in the United States, at Los Angeles. He worked for many years in the FRG. It was from this, rather than from books, that he gained a practical knowledge of the real market and real democracy and real freedom of speech—an essential combination with really strong state power.

We traveled around the Sakhalin peninsula with him. He is light on his feet. Not very tall, a sinewy Siberian, born in Yakutia. In the style of a militarized era, outside the office, at official meetings, he prefers to be seen in the dappled uniform of the airborne troops. He is a little over 50 ("53!" He quickly corrects me, when I say that he is 54). He writes books about the economy in the West. And verse. He is the friend of fishermen and artists. And the owners of hotels and stores. At the edge of the world, in Yuzhno-Sakhalinsk, he has opened a casino and a couple of hotels, fully up to European standards. However, all this would be exotic, no more (someone from Moscow who lived abroad and decided to build Europe on Sakhalin!), had he, an economist from the capital, not got on his feet so quickly. In the Kurils I conversed with many fishermen, entrepreneurs, journalists, and military people. There are people who actively dislike him, and there are people who value him, and there are those for whom he is a rare individual for today—not only a practical support, but a spiritual one also. The most remarkable thing is that they either love him or do not like him for the same reason. For his character: a rare firmness and cockiness. For the ground on which, five years ago, he trod so firmly that he got noticed in both Moscow and Tokyo. His ground—the Kurils. His position today is a fourth path. (The first was to leave everything on the islands as it was. The second was to give four of the islands to Japan. The third was joint management in the Kurils).

Fedorov's path: Yes, a joint economic zone, but plus the northern part of the Japanese island of Hokkaido for our Kurils, with unconditional preservation of the present

jurisdiction. The basis of this is the experience of united Europe: Trade and financial barriers are removed, but the borders are not revised.

[Afanasyev] Valentin Petrovich, on Sakhalin they attribute a popular aphorism to you: It is little enough to be a democrat, one needs to be a patriot. Is it your creation?

[Fedorov] At least the content is absolutely solid.

[Afanasyev] It is curious that Poles, Czechs, Germans, or Hungarians would be most astonished at this slogan. For them a patriot and a democrat are virtually one and the same.

[Fedorov] Which points only to the contradictory nature of our political picture. Of course, Russia has its own special features, but not to the extent that we are distinctive enough to admit that democracy should inevitably slice through the country's blood vessels—its national interests. It is "either-or" here. Either the country is "off course" again or the regime that they have tried to foist on us is only a democracy in words. In general, I believe that things have reached the point where patriotic forces have found themselves the authorities. And so the temperature has risen, and their range will be a reasonable, enlightened patriotism or extreme nationalism.

[Afanasyev] So this is in God's hands?

[Fedorov] Oh no.... We cannot blame God. If reactionary forces come to power, those who are trampling on Russia's national dignity while at the same time regarding themselves as some kind of liberals and democrats will be directly to blame. What caricature action, what caricature opposition.

[Afanasyev] Solzhenitsyn has accurately remarked that a country in which the words "democrat" and "patriot" are terms of abuse is an unhappy one. But our unhappiness, Valentin Petrovich, is even more bitter and absurd: For example, in Poland or Czechoslovakia not even a former party boss, but even simply a former party member, could not occupy a post in the new regime, but here a great game is under way, and there is much fertile soil for this—almost total political infantilism. Hence also the massive double-dealing that goes on with impunity. Our liberals of yesterday are the ones who the day before yesterday were Communists, and today and tomorrow will be the most farsighted of those who have already run ahead and set up a kind of patriotic banner for themselves, using material that has already been turned twice. True, they did recently acquire an exact name for themselves. They are the VOUCHER PEOPLE, the EXCHANGE PEOPLE. For them, "isms" are merely a staging post along the highway, and so they have been pseudo-Communists and pseudoliberals, and will become false patriots.

[Fedorov] God is the judge of our neighbors who have become so accustomed to warming themselves with the idea of acquiring the "northern territories" that they regard decisions reached by the Kuril rayon soviet (on its own land) as an unpardonable interference in Japan's internal affairs. But God clearly sees the secret devouring

force that moves those rare fellow countrymen who are trying so stubbornly to have their own state by insisting on the surrender of the islands.

Their firm insistence at least shows what these people WANT, they AT LEAST KNOW. The most curious is the third category—no, not those who are evolving and developing and whose eyes are being opened with such agony, but those who change their opinions like pairs of gloves—as soon as they catch up with the political demand, they rush to jump into the world market. In the language of perestroika, this quality used to be called "the new thinking," or the art of compromise. Finding himself there with his baggage on the steps of the foundation named after him, the architect of perestroika managed to show only the obverse of his own art. He thought that it was HE who was maneuvering so skillfully. And then it became clear that HE was being led skillfully about in the labyrinth.

Whereas they used to talk more or less politely, although guardedly, in conversation in the Russian Federation, they no longer find it necessary to choose their words. One can judge how far Russia has sunk from the tone and bearing with which they lash it as they dictate conditions and issue commands.

The leader of a republic with a population of just tens of thousands considers it possible to blackmail Russia, with its population of 150 million, by promising to turn it into a nuclear desert if the opportunity presents itself. The parliamentarians of another republic achieved their wished-for independence—only, it is to sit there shivering in their overcoats in their own parliament and to demand all in proper order that depends on Russia henceforth provide heating for them, who were now independent. Others who have been jealous for independence without having any kind of serious resources certainly knew beforehand that they would be able to pump them out of the downfallen body, and come out, for example, in sixth place in the world for nonferrous metals. Put America or Germany or Japan in our place. It would be ridiculous to imagine anything like that with respect to themselves. One inhabitant of Sakhalin wrote a letter to Yeltsin: Dear Boris Nikolayevich, in Russia it has always been the custom to invite foreigners to rule, so why not invite some Germans, Genscher maybe, to be prime minister or boss of the Ministry of Foreign Affairs—he would certainly be able to safeguard Russian national interests!

The deepest kind of sarcasm, but is it so untrue, if we almost do not have any politicians of our own? If our own, one after another, brave about their predecessors and acquiring rubles, are seized with a foreign disease, when there is a paralysis of will, and a progressive timidity and tractability and indecisiveness and equivocation are seen in their thoughts and actions?

[Afanasyev] The state has been destroyed. Not only the Union, but Russia, too, is being broken down into cities and villages. This is undoubtedly evil. But perhaps here, on the threshold of evil, we should try to find a way for rebirth? The time has now come for compact, only weakly

controlled territories. If there is any kind of authority, it should be with the local administrations. Foreigners have realized this, and they are dealing less frequently with the government. This was clearly noticed by such an astute politician as Grigoriy Yavlinskiy. He noticed it and "catapulted himself" for the nth time, now to a local territory, to Nizhniy Novgorod. If they achieve even any kind of palpable success with the governor there, it will strongly influence people and set the precedent for a strong authority that works combined with an economy that is working well. I see another similar example in Sakhalin. I know, Valentin Petrovich, that in the Far East Sakhalin is the leader in terms of rate of privatization. Whereas for Khabarovsk Krai, some 13 percent of what was planned has been privatized, and in the Maritime area 11 percent and in Magadan no more than 1.5 percent, your figure is already 67 percent, is it not?

[Fedorov] This figure should not in any circumstance be overstated! Yes, we have privatized "more than anyone else." But if we limit ourselves to reshaping the status of property, we shall be overtaken by catastrophe. I see this clearly already: In and of itself, primary privatization generates only a political and psychological effect. Yes, it is impossible to jump over this; it is necessary to advance through collective ownership. But it is better for a hotel to operate so that the chambermaid and the director do not both become the bosses. For the chambermaid may say at any moment: Why are you giving me orders—I am the boss! A second stage is therefore necessary—when from the thousands a nucleus of a hundred people is found, and then winnowed down to five or six, and even better if there are no more than three. These become the bosses. But what kind? Monopolists. Who "in the land of the blind" and without lifting a finger "weld together" a great deal of money. It means that we need a third and main privatization. Not the "privatization" we have, but the creation of private ownership based on the emergence of thousands and thousands of new enterprises. And the thing that is extremely important is not engendering them randomly in trade but, by "pushing" trade capital into production with favorable taxes. Only by being saturated with producers will the economic solution precipitate out and crystallize into a normal market. On Sakhalin 4,000 new bosses have now emerged who started from zero. This is a small figure, but in a place where yesterday there were none, this indicates that it is much larger.

[Afanasyev] Apparently governors with your same light hand have appeared in Russia. Are you a supporter of provinces as unique kinds of principalities?

[Fedorov] I am a supporter of provinces, yes. The territorial structure existing before the revolution—without the Bolshevik structures, which shattered the Union into republic divisions. But I am undoubtedly against the creation of petty "appanage princedoms." We had a debate here in the Far East, whether we should found a Far East republic. I expressed myself categorically in favor of a unified and indivisible Russia.

[Afanasyev] And yesterday evening you remember that you telephoned Kazakhstan. Are you exchanging fish for wheat?

[Fedorov] And this is very necessary! When we have our own oil, Sakhalin will be even stronger. Both in the dispute over the Kurils and on the Far East republic. You understand that if they are now tense with patriotism in Moscow, from where should they start? And if officials in Moscow (particularly the present officials) permit themselves to worry about trivia, then we shall not only lose the Kurils.

[Afanasyev] It is a paradox, Valentin Petrovich: You are a supporter of an indivisible Russia, and you are creating a subsistence economy?

[Fedorov] No, no! It is not a subsistence economy. I said economic saturation. The more opportunities there are for a territory, the better it is for Russia. The paradox lies elsewhere: The earlier center was bad, and now in Moscow it is an "anticenter" that, if it is doing anything, is promoting disintegration.

[Afanasyev] The unique way that the Ministry of Foreign Affairs perceives the lease of Kuril land is known. It is also common knowledge that after the cancellation of the visit to Japan, the president telephoned you. How did B. Yeltsin regard the deal with the Hong Kong company? Was there a conversation?

[Fedorov] There was a conversation about the Kurils. I cannot go into any more detail.

[Afanasyev] A diplomatic secret? However, Valentin Petrovich, from well-informed sources it has become known that the president did support you with the decision about the lease, did he not?

[Fedorov] Forgive me, but I personally must still limit myself to what I have said, no details. But in general, Boris Nikolayevich has shown interest in what kind of document is adopted on the Kurils—a government decree or a presidential edict. I, of course, have expressed myself in favor of the latter. The essence of the edict is to give the Kurils the status of a free economic zone. True, what the president's real wish is is one thing. But we have not detected the same yet among the executors. It was they who drew up the first version, with the word "free" set only in quotation marks.

[Afanasyev] So where is the difficulty?

[Fedorov] The restrictions are based on laws. But, of course, this is nonsense! The particular feature of a free zone is that it is not a law, a rule, but an exception!

[Afanasyev] Some 18 months ago you put forward a program not only for Sakhalin, but for the whole of Russia. It was polemic: not 500 days, but 500 weeks. How do you assess it now?

[Fedorov] To my great regret, the direst predictions have come to pass. In particular, I said then that if we were not to take sensible steps that were acceptable precisely for Russia, then we would slide into a catastrophe that would

be worse than the American tragedy of the 1930's. That, alas, has already almost happened. On the other hand, I still see that this program has hardly become outdated. What did I have in mind? First and foremost, three factors. First, intensive creation of a parallel—market—economy. Second, a very exact and slow dismantling of the old economic system (both the defense complex and the kolkhozes and sovkhozes). And third, reliance primarily on our own efforts (at first a half-closed economy, and after 10 years open up the market). Socialist Russia is not a Singapore, and it is not the Japan of the 1940's and 1950's. We are not in worse shape. But we are in a different dimension, almost Martian. In our case, economic freedom must outstrip political freedom.

What the governor of Sakhalin is talking about is not some abstract macro theory. The Fedorov scenario is oriented in a practical way (1) on Germany's model of the social market, and (2) on the dramatic and justified experiment of neighboring China.

Whether or not we want to admit it, China did manage to stop at the brink of disintegration, and precisely because, without losing the levers of power, the reformers managed to push ahead with economic modernization, postponing the issue of the breaking of the state-political mechanism until the second stage, for better times, when this will be promoted by a fundamentally new market economy. They are building a parallel economic China there that in time will inevitably and firmly be generated from the new but natural material and corresponding political structure.

We, however, have moved along a different path. Unaffected by the time spent in retreat in the communist shell, the Chinese have emerged as very clever pragmatists. But we, who set out with the intention of breaking through into the capitalist paradise, have shown ourselves to be the most inveterate Commies. We rushed at it, pranced on history and....destroyed a great state. Alas! there is no truth that cannot be reduced to the absurd. And unfortunately, neither are there creative tools but that can be used to wreak destruction. Not only walnuts can be cracked quite skillfully with computers, but also human skulls. We have managed to teach mankind yet another surprising lesson, by using democracy and glasnost to plunge our country into a mass revision.

"We have had a surfeit of 'glasnost.' A little clarity would be better." This is how one of the fishermen from the South Kurils briefly diagnosed the times. It follows from this diagnosis that the people themselves, thank God, are not confusing clarity and glasnost, and know how to distinguish between them.

Clarity is glasnost "for the sake of sense." But, alas, glasnost "for the sake of the quiet life" has gained the upper hand here, when almost all the achievements announced regarding freedom of information are an unconditional spiritual capitulation and the surrender of our own information space. The apotheosis of "glasnost for the sake of the quiet life" are the colorful booklets circulated by the Japanese Embassy, directing our minds to the subject of the "northern territories." Here we have a

meager but eloquent minimum of words that might offer a Pyrrhic victory to our right-flankers if they had reckoned on obtaining from their neighbors at least some kind of residence permit. There are three or four dozen expressions in the dictionary. Apparently, from the viewpoint of those who compiled it, the Russians do not need more. Taking this into account, there are sufficient very simple expressions—just for survival. For example: "Good day. Is there any vodka? I am hungry. Would you like some more? Very tasty. Thank you for the refreshments.... Take me to the hospital. I do not feel good. I have a temperature. I have a gastric upset...."

Can you feel it? We have not yet managed to feed ourselves, and already we have eaten too much.

[Afanasyev] I would single out something else, Valentin Petrovich: Your program at least gives the country some kind of chance: While the new, parallel Russia is being created so painfully and slowly, the old economic system, which is weakening just as slowly, supports it. While the house is being built on the vacant lot, the country will not have to work in a snowdrift but in a building, even if it is a bad one.

[Fedorov] But pardon me, the government was elected by a purely journalistic, agitation method. With what speed they created the beacons and the front-rank workers, and with that same communist haste decided to turn Russia upside down. Well, now Russia has been turned upside down. And it is impossible to obtain full-fledged results in the economy the Bolshevik way. In the economy the criterion is not speed. And the correct and least painful criterion, precisely for this country, is a withdrawal from catastrophe.

[Afanasyev] Would you be prepared to head up your own reform, esteemed governor and professor?

[Fedorov] In any capacity.

[Afanasyev] And if there are elections....

[Fedorov] Any kind at all. I do not think that the present government has been given a particularly sweet morsel. What our generation has been given is rather unskilled labor.

[Afanasyev] It turns out that you are called an extremist....

[Fedorov] By whom, and why?

[Afanasyev] I think that it might be your abrupt statements and actions? You have publicly denied the right of one diplomat who was urging the inhabitants of the Kurils to "yield" to their neighbors to represent the interests of Russia. When during his visit to Sakhalin's neighbor, Japan, the president of the USSR did not include you, the governor of Sakhalin, you "slammed the door" on the official delegation by pointedly flying out of Tokyo.

[Fedorov] First I weigh everything carefully, and then I act "abruptly." Second, since when has it been extremism to call things by their proper names? And third, and most important, I am simply convinced that we must stop shying at every rustle from behind the "hill."

[Afanasyev] This, incidentally, in no way harms relations. I am aware that despite the abruptness, you are always being invited to sessions of the "Big Seven" council.

[Fedorov] We have had the time in the past seven years to learn that in the good old civilized world, they still value not so much spineless complacency, but rather virtue. The virtue of the individual. The virtue of the state. This is precisely why I support your action to perpetuate the memory of the Russians who gave their lives to defend the integrity of the motherland. Thousands of our soldiers fell in World War II in the Kurils, and how many Russian graves there are on the islands from previous centuries! To raise crosses above their graves and to build a chapel to signify that Russia has not lost either its memory or its virtue.

The much-talked-of story about the leasing of land in the South Kurils has given birth to yet another curious idea.

[Afanasyev] But why not strengthen and develop this precedent? Previously, the four richest islands were inaccessible and closed to business, both foreign and domestic. The deal with the Hong Kong company is interesting not only in and of itself; it is flinging wide open the doors to opening up these almost untouched territories. Four islands—that means red caviar, the most valuable thermal sources, mineral waters, major deposits of sulfur (and into the bargain, gold was recently discovered there). But the main thing, of course, is the 40 kinds of fish, invertebrates, and water plants, with the size of the annual catch reaching 1 million tonnes, and a salmon catch (first and foremost from Iturup) bringing in \$70 million to \$80 million each year....

[Fedorov] When I flew to the Kurils, one successful Russian entrepreneur from France (a descendant of the Morozov merchants) conscientiously made inquiries as to whether it would be possible to organize tourism on one of the islands and to engage in fishing and fish processing, with the involvement of joint Russian and French capital.

I returned to Moscow with a positive answer: It is possible and necessary! Moreover, Governor Valentin Fedorov and the mayor of the island of Iturup, Gennadiy Dolin, supported our idea of offering a 70-year lease for a large tract of land on the littoral, with a spawning river, mineral sources, fresh water, and unique possibilities for tourism. (Incidentally, this place is very suitable in the long term for the construction of a port that could become a key facility for the fishing and trade routes in the Russia-Japan-China-South Korea square.) The Club of Rome international nongovernmental organization, and KOMSOMOLSKAYA PRAVDA, together with the newspaper RABOCHAYA TRIBUNA, are prepared to hold an international competition, open to all domestic and foreign entrepreneurs, for the best scenario for opening up this land.

...When we left the islands, there was a storm of work going on in the Kuril Gulf. Our all-terrain vehicle stopped on a bridge over a small river teeming with fish. The members of the artel, in high boots and gauntlets, were busily engaged in a unique kind of fishing, with hundreds of enormous wriggling fish breaking through powerfully against the current.

The catch was being passed to load onto an enormous truck. A basket with high sides was breaking under the weight. Finally the work was over. The truck drove off from under the bridge and slowly moved away into the hills.

Clouds scudded over the green island. In the river beneath the light bridge a live Kuril goldfish sparkled as it swam....

FROM THE EDITOR:

Those interested in the idea of an international competition for the opening up of land on the South Kurils—whoever would like to and can participate in it—are requested to make an application by telephoning 8 (095) 257-22-27. Fax: 8 (095) 973-20-66.

Edict on Protection of Purchasers' Rights

935D0075A Moscow ROSSIYSKAYA GAZETA
in Russian 3 Nov 92 p 2

[Text of "Edict of the Russian Federation President 'On Measures To Protect the Rights of Purchasers and Prevent Profiteering'"]

[Text] With the aim of regulating trade in goods for which excise taxes are imposed and of preventing manifestations of profiteering on the consumer market, and of protecting the interests of purchasers, I resolve:

1. To introduce the licensing of trade in food and nonfood products for which excise taxes are imposed, in accordance with established procedure beginning 1 December 1992.
2. The Russian Federation Committee on Trade, jointly with the Russian Federation Finance Ministry, Russian Federation State Tax Service, Russian Federation Justice Ministry, and other concerned ministries and departments, will draw up within two weeks and transmit to the organs of executive authority of republics within the Russian Federation, krais, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg, a draft statute on the licensing of trade in goods for which excise taxes are imposed.

To recommend to local soviets of people's deputies that the amount of payment for trade in goods for which excise taxes are imposed be established in accordance with the declared income from their sales.

3. To establish that licenses are issued by the local organs of executive authority in whose territory the trade indicated in Point 1 of this edict takes place.
4. Within one month the Russian Federation Government will present proposals on augmenting the responsibility incurred by juridical and physical persons for violations of procedure in the sale of goods and for trading without the proper licenses.
5. The Russian Federation Ministry of Internal Affairs, jointly with the State Inspectorate for Trade, Product Quality, and Protection of Consumers' Rights of the Russian Federation Committee on Trade, and with local organs of executive authority, will undertake measures to halt the illegal activity of juridical and physical persons

connected with purchase in the retail trade network of consignments of goods with the aim of effecting their resale.

[Signed] President of the Russian Federation
B. Yeltsin
Moscow, the Kremlin
29 October 1992
No. 1311

Edict on Foreign Currency Payments

935D0075B Moscow ROSSIYSKAYA GAZETA
in Russian 3 Nov 92 p 4

[Text of "Edict of the Russian Federation President 'On Sales to Citizens in the Territory of the Russian Federation of Products (Work, Services) for Foreign Currency'"]

[Text] With the aim of ensuring stabilization of the internal market of trade and services, I resolve:

1. To establish that sales to citizens in the territory of the Russian Federation of products (work, services) for foreign currency are effected by juridical persons who are residents, in accordance with procedure established by the Russian Federation Central Bank.
2. To recommend that the Russian Federation Central Bank intensify supervision of transactions and payments that are made in foreign currency on the territory of the Russian Federation.
3. To acknowledge as no longer in effect as of 1 July 1992 the second paragraph of Point 8 of the RSFSR Presidential Edict dated 15 November 1991, No. 213, "On the Liberalization of Foreign Economic Activity in the Territory of the RSFSR" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV RSFSR I VERKHOVNOGO SOVETA RSFSR, 1991, No. 47, Art. 1612).

[Signed] President of the Russian Federation
B. YELTSIN
Moscow, the Kremlin
27 October 1992
No. 1306

Decree on Differentiation in Pay Levels for Budget-Sphere Work Force

935D0063A Moscow ROSSIYSKAYA GAZETA
in Russian 28 Oct 92 p 5

[Text of "Decree of the Government of the Russian Federation Dated 14 October 1992, No. 785, Moscow, 'On Differentiation in Pay Levels for Workers in the Budget-Funded Sphere on the Basis of a Unified Rate Scale'"]

[Text] In compliance with Russian Federation Supreme Soviet Decree of 21 April 1992, No. 2705-1, "On Matters Pertaining to Enactment of the Russian Federation Law 'On Raising the Minimum Wage,'" and the 19 August 1992 Edict No. 895 of the President of the Russian Federation "On Additional Measures To Improve Wages for Workers in Budget-Funded Institutions and Organizations," the government of the Russian Federation decrees as follows:

1. To deem the following necessary:

—to take effective steps to improve the material position and to strengthen the incentive role of pay for workers in public health, the system of social protection for the population, and education, culture, science, and other institutions and organizations within the budget-funded sphere;

—to bring proper order to ratios in the levels of pay as a function of the complexity of the labor and workers' skills, and to create a mechanism to preserve those ratios on the basis of application of a unified rate scale for pay for workers in the budget-funded sphere (referred to hereinafter as the "Unified Rate Scale").

To establish that application of the Unified Rate Scale is binding on all institutions, organizations, and enterprises within the budget-funded sphere.

2. To confirm the Unified Rate Scale for pay for workers in the budget-funded sphere in accordance with Attachment No. 1, categories of pay under the Unified Rate Scale for general sector duties in accordance with Attachment No. 2, and categories of pay under the Unified Rate Scale for the basic professions of employees in the budget-funded sphere in accordance with Attachment No. 3.

To establish that ministries and departments of the Russian Federation shall, with the agreement of the Russian Federation Ministry of Labor and Employment, assign other duties not covered by Attachments 2 and 3 to this Decree to pay categories under the Unified Rate Scale.

To give the leaders of budget-funded institutions, organizations, and enterprises the right to set monthly rates and salaries for highly skilled workers employed in important and crucial work in accordance with the lists approved by ministries and departments of the Russian Federation in accordance with the procedure established, based on categories 9 and 10 of the Unified Rate Scale, and also for particularly important and particularly crucial work in accordance with the list approved by the Russian Federation Ministry of Labor and Employment, based on categories 11 and 12 of the Unified Rate Scale.

3. Ministries and departments of the Russian Federation and organs of executive power in the republics making up the Russian Federation, and in krais, oblasts, and autonomous formations, and the cities of Moscow and St. Petersburg, local administrations, and institutions, organizations, and enterprises that are budget-funded shall carry out the necessary preparatory work, bearing in mind that introduction of the Unified Rate Scale with a monthly rate (salary) of 1,350 rubles [R] for category 1 will commence during the fourth quarter of 1992 within the limits of budget allocations for 1992.

4. The Russian Federation Ministry of Labor and Employment and organs of executive power in the republics making up the Russian Federation, and in krais, oblasts, and autonomous formations and the cities of Moscow and St. Petersburg, and local administrations, shall exercise

control over compliance with the wage rates for workers in the budget-funded sphere in accordance with the Unified Rate Scale.

5. To establish that budget-funded institutions, organizations, and enterprises shall within the budget allocations made independently establish the kinds and sizes of increments and additions, bearing in mind that the skill of a worker and the complexity of the work that he performs have been taken into account in the pay rates and salaries set on the basis of the Unified Rate Scale.

6. In accordance with the procedure established, ministries and departments of the Russian Federation shall within one month devise and confirm with the agreement of the Russian Federation Ministry of Labor and Employment the skill requirements for posts for workers in sectors of the budget-funded sphere and inform subordinate institutions, organizations, and enterprises of them.

The Russian Federation Ministry of Labor and Employment shall within one month determine and confirm skill requirements for general sector duties and work professions.

7. To establish that the pay categories for workers in accordance with the Unified Rate Scale are determined from the results of certification of employees and setting new rates for workers.

During the fourth quarter of 1992 leaders of budget-funded institutions, organizations, and enterprises shall conduct certification of employees and set new rates for workers in accordance with the skill requirements.

Ministries and departments of the Russian Federation and organs of executive power in the republics making up the Russian Federation, and in krais, oblasts, and autonomous formations and the cities of Moscow and St. Petersburg, and local administrations, shall exercise control over certification and the setting of new rates for workers.

Together with the Russian Federation Ministry of Justice, the Russian Federation Ministry of Labor and Employment shall within a period of two weeks confirm basic provisions on procedure for conducting certification of employees at budget-funded institutions, organizations, and enterprises.

Proceeding from the basic provisions mentioned, ministries and departments of the Russian Federation shall within a period of one month draw up corresponding sector provisions.

8. To establish that ministries and departments of the Russian Federation and organs of executive power in the republics making up the Russian Federation and in krais, oblasts, and autonomous formations and the cities of Moscow and St. Petersburg shall grant permission to introduce the Unified Rate Scale in subordinate institutions, organizations, and enterprises as they become ready and if the necessary financial resources are available.

9. In cases in which rates (salaries) are introduced in accordance with this Decree with coefficients, increments, and benefits for workers that are lower than existing rates

(salaries) with coefficients, increments, and benefits, during the time that they work in a given institution, organization, or enterprise in the same or a higher position they shall be paid the appropriate difference in wages.

10. The Russian Federation Ministry of Labor and Employment shall do the following:

—carry out together with the ministries and departments of the Russian Federation and organs of executive power in the republics making up the Russian Federation and in krais and oblasts and the cities of Moscow and St. Petersburg the necessary organizational and methodological work connected with introduction of the Unified Rate Scale;

—in cases that so require, provide explanations connected with application of this Decree.

11. The Russian Federation Ministry of Finance shall determine procedure and sources to fund the cost of introducing the Unified Rate Scale.

12. Together with the Russian Federation Ministry of Justice, the Russian Federation Ministry of Labor and Employment shall draw up and submit to the government of the Russian Federation within a period of one month proposals on making changes to existing legislation in connection with adoption of this Decree.

[Signed] B. Yeltsin.

Unified Rate Scale for Wages of Workers in the Budget-Funded Sphere

Pay Categories	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Rate Coefficients	1.0	1.30	1.69	1.91	2.16	2.44	2.76	3.12	3.53	3.99	4.51	5.10	5.76	6.51	7.36	8.17	9.07	10.07

Notes: 1. The size of the rate (salary) addition for the first category is set by the government of the Russian Federation. Rates are set for workers in the other categories of the Unified Rate Scale by multiplying the rate (salary) scale for the first category by the corresponding rate coefficient.
2. New rates are set for worker occupations in accordance with a rate-for-skill handbook for work and occupations in categories 1 through 8 of the Unified Rate Scale. For highly skilled workers employed in important and crucial work and very important and crucial work, rates for pay and salary may be set for categories 9 through 12 of the Unified Rate Scale from the lists confirmed by the ministries and departments of the Russian Federation and the Russian Federation Ministry of Labor and Employment.
3. Salaries for deputies are set 10 percent to 20 percent lower than the salaries for the corresponding chief.

Note: Printed without Attachments No. 2 and No. 3.

Metallurgy Workers Protest Union's Withdrawal from FITUR

934A0188A Moscow TRUD in Russian 4 Nov 92 p 1

[Article by Aleksandr Golyayev: "Not All Are for a Divorce"]

[Text] The decision of the Central Council of the Trade Union of Workers of the Mining and Smelting Industry to withdraw from the Federation of Independent Trade Unions of Russia [FITUR] was not supported by the metallurgists of Lipetsk. They think that the thrust of the position of the Central Council is to split the trade union movement. The plenum of the Lipetsk Oblast committee of the trade union appealed to all member organizations with the proposal that they convene a conference or congress and review the decision of the Central Council.

In Volgograd, the chairmen of trade union committees of 12 branch enterprises expressed their solidarity with the FITUR. The decision of the Central Council of the trade union is not supported by metallurgists of Novosibirsk, Perm, Pskov, Moscow and the capital oblast, Rostov, Murmansk, Nizhniy Novgorod, and Irkutsk and the collectives of a number of enterprises in eight oblasts and Krasnoyarsk Kray.

Burbulis Said to Encourage Split Within FITUR

934A0203A Moscow RABOCHAYA TRIBUNE in Russian 6 Nov 92 p 2

[Article: "The Trade Unions Are Being Cleaved. With the Heavy Burbulis-Misnik Ax"]

[Text] A sign of our "democracy": Before each new decisive step by the Federation of Independent Trade Unions of Russia in its struggle for the people's right to work, the authorities intensify their attacks on it in the state press. That was also how it was before the All-Russian protest action against the government's policy on impoverishment of the country that was held on 24 October. It was precisely against this action that State Secretary for the President G. Burbulis and his ilk timed the next (but prepared long before) "surprise for the FNPR [Federation of Independent Trade Unions of Russia]." As has already been reported, a plenum of the Central Soviet of Mining and Metallurgical Industry Workers of the RF [Russian Federation], under the emotional pressure of its chairman, V. Misnik, who practically unreservedly supports the current government, which has bankrupted itself, and with the active participation of G. Burbulis, adopted an especially "notorious" decision. Judge for yourself: Forty-one of the plenum's participants (10 votes against) announced their "disagreement" with the actions and their withdrawal from the FNPR.

How was this demarche taken locally?

We cite completely, long as it may be, the list of regions in which on 24 October metallurgical workers and miners, along with, and often even head of, everyone else, spoke out for urgent change in the reforms that face the working man: the Bashkortostan, North Osetian, Khakasian, Yakutia-Sakha, and Karelian republics, Altay, Krasnoyarsk, Primorskiy, and Khabarovsk krais, and Belgorod, Volgograd, Vologda, Irkutsk, Kemerovo, Kursk, Lipetsk,

Moscow, Murmansk, NizhniyNovgorod, Perm, Rostov, Samara, Sverdlovsk, and Chelyabinsk oblasts. As well as the city of Moscow.

The leaders of various "cells" of this trade union were the initiators in holding city demonstrations and meetings in Apatity (Murmansk Oblast), Volzhsk (Volgograd Oblast), and Zheleznogorsk (Kursk Oblast).

And here are reports of recent days....

Lipetsk: A plenum of the oblast committee of the Trade Union of Mining and Metallurgical Industry Workers examined the matter of the decision of the Central Soviet plenum. In speaking out—representatives of labor collectives of the Novolipetsk Combine, the Metallurgremont Center, the Svobodnyy Sokol plant, and other large enterprises—sharply criticized the TsS [Central Soviet] decision that was aimed at splitting the trade-union movement of Russia. Withdrawal from the FNPR was recognized as "undesirable." The plenum appealed to all member organizations to create a conference of the branch's workers for the purpose of reexamining the Central Soviet's decision.

Novosibirsk: A meeting of the branch's soviet was held at the request of trade-union committees of the oblast's mining and metallurgical industry. Disagreement with the decision that the TsS's plenum adopted without considering the opinion of the primary organizations was expressed. Novosibirskers will remain in the FNPR.

S. Filippov, chairman of the oblast committee of metallurgical workers, reported this. Being a member of the TsS Presidium, he was at the TsS's plenum and voted against withdrawal of the trade unions from the FNPR.

Murmansk: Participants of the trade-union conference demanded that B. Misnik come and explain. They were bewildered about why he, without consulting the primary organizations, had introduced the proposal that the branch trade union withdraw from the FNPR. For his "ascension" had started here with the primary organizations (prior to his election in January of last year to chairmanship of the Central Soviet of the branch trade union, B. Misnik was chairman of the trade-union committee of one of Murmansk Oblast's enterprises.—Ed.).

...A plenum was held in Perm. Dates were set for the convocation of plenums in Vologda Oblast, Primorskiy Kray, and a number of other regions.

Instead of a Commentary

B. Misnik, Chairman of the Central Soviet of Trade Unions of Mining and Metallurgical Industry Workers of the RF, has asserted in his speeches and in interviews in which he has participated recently that the FNPR's mass action in defense of the rights of the most destitute people of today was "untimely" and "did not reflect the interests of the trade-union membership." Meanwhile, RT [RABOCHAYA TRIBUNA] has kept a dictaphone transcription of an interview with him last year on the eve of the Day of Unity of Actions of the Trade Unions of Russia. Here is what he said then:

"The time has come for the civil disobedience actions that will occur from 21 to 26 October 1991 under FNPR slogans. We must manifest ourselves more explicitly. We must declare our position more actively! The situation at our enterprises is very difficult, especially in the north. So people should go to the meetings and present their demands to the authorities and get from the government clarity about how it will run the country in the next six or seven months. It is important that the trade unions organize them. On the 'traveling wave' principle—from region to region, from enterprise to enterprise. We have also developed a scheme for collectively working out the most urgent demands. If they will be hushed up, ignored, or given no attention by the people upstairs, then there will be the matter of a possibility of conducting a strike on 13 November in the form of a one-hour work stoppage. We shall learn by doing, and people still do not see the trade unions as real organizers of collective actions. The main thing is the efficiency of these actions."

This is that monolog. The social and economic situation in Russia has become even worse since then. The people's patience is running out. In order to avert social explosions of unforeseeable force, the FNPR is striving to guide the masses' discontent into a civilized channel, to get a revision of reform policy that will take into account the people's vital interests. But Boris Misnik and 40 of his comrades in arms, covering themselves with demagogic declarations that the FNPR, they say, is preparing to restore the old system, are making a sharp turnabout: from the struggle for the interests of trade-union members to the struggle against those who continue to defend them. Strange metamorphoses, you will agree.

MVD Official on Organized Crime

934C0258A Moscow ROSSIYSKAYA GAZETA
in Russian 3 Nov 92 p 3

[Interview with Anatoliy Uryadov, deputy chief of the Main Directorate for Organized Crime of the Russian Ministry of Internal Affairs, by Yelizaveta Leontyeva: "The Exports of Our Crime Exceed the Imports"]

[Text] Anatoliy Uryadov, deputy chief of the Main Directorate for Organized Crime of the Ministry of Internal Affairs of Russia, responds to questions by the correspondent of ROSSIYSKAYA GAZETA.

[Uryadov] Organized crime in Russia does not differ from organized crime elsewhere in the world and gravitates toward the economic sphere. It is actively moving into Western and Eastern Europe and is even spreading its sphere of influence to the distant American continent. As a result, our "export" of criminals abroad exceeds the "import." The criminal element is striving to go to the West with the objective of gaining foreign exchange—the Russian "wooden" money does not suit them.

[Leontyeva] How many organized criminal groups are there in Russia?

[Uryadov] According to our most recent information, there are 2,600 groups in operation. One-fifth of them have interregional and even interstate ties.

[Leontyeva] Where, in your view, is the greatest danger of an undermining of the economy by crime?

[Uryadov] If is, of course, the sphere of banking currency operations.

A few days ago, for example, an organized criminal group from among the major mafia groups was uncovered in Moscow. Many would be shocked by the sum they were dealing with. They obtained 2,156,700,000 rubles [R] using a fictitious credit device. These people tried to convert the rubles into foreign exchange to be transferred to foreign banks for the purchase of consumer goods.

This grouping manipulated checks of Russia that were delivered from a Russian republic (I will not name it at this time). Through them they obtained more than R6 million. Our personnel were able to prevent this crime. And they confiscated about \$800,000 in the search.

In short, whereas formerly a case with a million was considered the case of the year, now a case involving 3 to 5 million is considered ordinary, at the level of a rayon police department.

[Leontyeva] Anatoliy Iosifovich, how many successful operations have you carried out?

[Uryadov] Last year alone we carried out about 400 operations just for attempts against our business people. Here is a typical example of a transnational crime. The Daniel couple from Australia that together with a Russian partner had established a joint enterprise was kidnapped from Sheremet'yevo-2. They were tortured and a ransom of R1.5 million was demanded. We had to communicate with police subdivisions in Australia, with the FBI in the United States, and with our Ministry of Security. The result was the arrest of the eight people who committed the crime within two days.

The informative bulletins on the state of crime abroad give reason for the conclusion that our criminals are very cruel. Take a situation like that of the taking of hostages. It basically arose with the development of market relations. And it is progressing quite rapidly. So much so that at this time I cannot name the number of hostages in Russia. In general, when I and my assistants summarized the practice in Moscow and the oblast, in almost all cases it turned out that the threat to life was very real and the torture cruel—there is not even time for thought.

Unfortunately, you and I live in a time in which the old laws have been suspended and new ones have not yet come into being. Of course the lack of legal mechanisms complicates our work. And naturally the lack of resolve on the part of law-enforcement agencies is a hindrance. If we take the statistics of the Ministry of Justice, we will see that only one out of five persons accepting a bribe is really punished. This, as you can understand, is not normal.

Yes, the president's edict on the fight against corruption is very helpful. But a government decree was also supposed to be issued and we prepared it. It was then issued to 24 ministries and departments. Comments were received and, when they were considered, it was reissued. It is lengthy

work and no end to it is in sight. Nor do we exclude the possibility of lobbying. There are people who are not interested in having such documents and laws see the light of day. And these people do not slumber. The press could help....

Petroleum on World Market, Prices Viewed

934A0128A Moscow *EKONOMIKA I ZHIZN*
in Russian No 41, Oct 92 pp 1, 5

[Article by V. Neverov, firm "Germes," and A. Igolkin, State Academy of Management: "Russian Oil in World Politics"]

[Text] In the fall of 1992 it became clear that in the next few months a skirmish in the struggle for Russian oil lies ahead, whose results will determine for a long time not only our future but also the future of the global economy. And we must once again, for the umpteenth time this century, recall the Biblical words: "The parents ate the sour grapes, but the children got the sour taste" [Ezekiel 18:2]. It is often possible to hear and even read: "Who needs us with our backwardness! Today natural resources don't mean anything. Japan gets along perfectly well without them." So, has the concept of the oil industry as a base industry of the global economy become obsolete? And is the scanty information reaching us on the battle of the main overt and covert world centers of power for our underground storehouses simply a bluff, disinformation?

In the global economy the oil industry has a special, dominating role, in a class by itself. The struggle for oil is behind the scenes of many military conflicts, coup d'etats, the signing and abrogation of military and political alliances. The reliable supply of petroleum products is among the principal national priorities which determine the nature of domestic and foreign policy of the leading countries of the world. What's the matter? According to the estimate of the English journal *THE ECONOMIST*, the present chief world consumer—the USA—may have enough of its own resources to last ten years! Not one of the tens of millions of Japanese automobiles runs on gas produced from Japan's oil. There simply isn't any. Germany and France are virtually devoid of significant oil fields. All these countries import a huge quantity of liquid fuel. If you can imagine that suddenly for some reason oil imports were sharply reduced (even assuming they wouldn't disappear entirely!) then you can confidently expect the arrival of economic collapse within a few weeks.

And what about the foreseeable future—do they intend to replace oil with something else? Certainly not, a steady increase in global demand is predicted of 1.5 percent per year. Demand, not supply! Before the 1973 energy crisis, global production practically doubled every ten years for a period of 70 years. The principal suppliers of oil for the global market are the countries of the Near and Middle East. They have at their disposal 66 percent of the world's oil reserves, and all of North America (including Alaska) has only four percent. And only one-fourth of the member countries of OPEC (Saudi Arabia, Kuwait, Nigeria, and Gabon) are the least bit capable of substantially increasing their oil production. Due to this a number of experts don't

exclude the possibility of the next energy crisis arising soon and a sharp jump in world prices associated with it.

The United States, like Europe, would prefer to get the maximum quantity of oil from regions outside the unstable Arab East. They are more and more disturbed by the explosiveness of this region with its Islamic fundamentalism, which is gathering strength. Oil exports from Russia seems far more attractive to the leading circles of the West. This was openly talked about, for example, during the recent discussion of the US national Energy Strategy.

The excessive dependence of the West on deliveries of Arab oil has for many years periodically fevered the entire world economy. Let's recall: when Iraq occupied Kuwait, the importing countries placed an embargo on the oil of both countries. These events instantly raised the price of oil to 40 dollars. The industrial countries of the West felt a marked blow. As usual in crisis situations, acting in concert with the U.S., Saudi Arabia increased oil production to the maximum. The price returned approximately to its former level. Then in January, with the beginning of the military operation "Desert Storm," the price of oil again rose sharply for a short time. At this time an announcement was made concerning the depletion of the U.S. strategic oil reserve, and there followed shortly a proposal to increase its reserves in salt domes in the states of Texas and Louisiana from 569 million barrels to one billion barrels. It is quite obvious that a future conflict in the Near East may cause new, undoubtedly extreme, shocks in the global economy.

In the next 15-20 years the dependence of the majority of developed countries on oil imports will grow larger. By the year 2000 the volume of oil imports to the U.S. will be more than double the production level in the country. In any case the considerable significance of Russian oil in the global economy will increase sharply. Don't underestimate our potential and its role for the West! It is foolish and criminal to offer our oil resources abroad today, ignoring our national interests in any way. Even with a present production of 400 million metric tons per year Russia remains an oil superpower. We must remember that not only are we dependent on the West for some things, but that the dependence is two-sided, and there is still the question in which direction it will be asymmetrical in seven years. Russia's oil resources can ensure a huge reserve of strength for the country's economy and future income of hundreds of billions of dollars.

Here are a few figures which characterize the significance of our oil resources in the global economy. The proved explored oil reserves in the former USSR are 8-12 percent of the world reserves (Russia accounts for 85 percent of them). The unexplored reserves, according to Western estimates, are up to 25 percent of world reserves, and according to estimates by the analytical service of "Germes" they are even larger—28-30 percent. There is oil even in central Russia. In 1991 the USSR-CIS accounted for 16.4 percent of the world production of 3148.9 million metric tons.

In order to reach the record production level of 1988 it is necessary to spend about 30 billion dollars. That is about the world market price for the amount of oil exported from Russia to CIS countries over a two year period. For comparison: in the 1990s world capital investment in oil production will total 2500 billion dollars! At the moment Western investment in Russia's oil industry does not exceed 200 million dollars, but the situation will soon change. Studies show that 67 percent of Western entrepreneurs associated with the Russian market consider investing money in oil the top priority (only nine percent indicated high technology as the top-priority capital investment). There are plans for repair and renewal work at inactive wells, which with an expenditure of 500 million dollars can supply an additional production of 25 million metric tons of oil. By selling this oil on the foreign market it would be possible to get over three billion dollars in income.

Forecasts of change in global oil prices are unambiguous: rapid rise no matter what. According to various Western estimates, in 1999 the average list price of a "basket of oils" will be from 27 to 39 dollars per barrel; in other words, will rise from one-and-a-half to two times. In the first decade of the twenty-first century—and it is not far off—according to the estimate of the British research center "DRI," the rate of growth in oil prices will be five times higher than in 1992-1999! We consider this estimate the lower end of a reliable forecast. A price for oil of 45.4 dollars per barrel in 2010, predicted by the U.S. Department of Energy, seems to us to be obviously too low. Such a forecast simply surprised us. Do the Americans themselves believe it? Or is it simply a move in a domestic or foreign political game?

We would like to emphasize that these estimates presuppose a stable situation in the main oil-producing regions. However experts of the corresponding department of the analytical service of Germes exclude the possibility of crisis-free development of the Near and Middle East and several other oil-producing regions in the next 20 years. This means that the increase in oil prices will be far greater than they are assuming in the U.S. and Great Britain. And the most essential thing! In the U.S. analytical services they assume that Russia's oil exports, starting in the second half of the nineties, will start to grow rapidly. In the estimate of the American magazine OIL AND GAS JOURNAL, exports from the USSR-Russia will grow from 2.3 million barrels per day in 1990 and 1.5 million barrels in May 1992 to 4.5 million barrels per day in 2000 and 7.0-7.5 million barrels in 2010.

We believe that the incredible Russian wastefulness in energy and oil will gradually cease with the shift to a normal economy. In a number of cases the consumption of oil per unit of output of a final product in Russia is 4-5 times higher than in European countries, and as a whole approximately twice as much oil is consumed per unit of gross national product. By our forecasts, in the twenty-year period following our present "time of troubles" the rate of economic growth in Russia will be very fast, as in the years

of the two last tsars before the October Revolution. Structural perestroika, including a rapid increase in energy conservation, cannot help but conform to this rate. The savings in oil, accompanied by an increase in production, will turn Russia into a leading exporter, not of crude oil, but of petroleum products. According to the estimate of well-known American experts T. Breton and G. Blaney, by 2020 we will produce 12.5 million barrels of oil per day—more than the USSR produced in its record year of 1988 (11.7 million barrels per day). By this time the U.S. will need to import, by our forecasts, up to 80 percent of its oil requirements, or, in an alternative which is worse for them, 80 percent of petroleum products.

The countries which possess significant oil resources have the chance—only thanks to this!—to solve a number of problems. Some are building state-of-the-art electronics and biotechnology enterprises using petrodollars. Saudi Arabia became one of the leaders in standard of living, Iraq created the most powerful army in its region, and here the former USSR for 20 years stretched out the agony of communists regimes at home, in Eastern Europe, in Cuba, and in North Korea. In the past our hundreds of million of metric tons of oil, exported for next to nothing, helped to solve problems of other countries, both East and West. In essence, Russia has not yet appeared as a strong, active, independent actor in global energy politics, although the least socioeconomic or political aggravation in Moscow or Tyumen affect the cost of oil at exchanges in New York or London. The leading analytical services carefully follow the balance of forces in Tyumen.

The main actors in the world oil economy and politics up to the present have been two cartels—the Western and the Eastern. The Western oil cartel unites the six largest Western oil companies (the “six sisters”); they account for 40 percent of the oil production of countries which are not members of OPEC, and their combined sales in 1991 amounted to almost 400 billion dollars. The Eastern cartel—OPEC—includes 13 countries, which account for 38 percent of total world production and 61 percent of total world oil exports. There are also a large number of large, mid-size, and small oil companies in various countries. The relations within the cartels among individual participants are characterized by conflict and by cooperation—in those cases when it is a question of mutual, vital interests. In the struggle of the two cartels the individual participants do not always adhere to the agreed-upon position. This pertains not only to the constant violation of production quotas by OPEC countries or to the “special” relationship between the U.S. and Saudi Arabia. There is the usual political and economic conflict going on. The new Russia does not have the right to avoid it. She can and must occupy a position of a third independent force, which is advantageous for maneuvering.

The oil companies in the cartel, as well as those which remain outside of it, will unavoidably become partners of Russian companies. But this partnership must be equal. We are ready to cooperate with both the largest transnational companies and other reliable partners in the West and East. The distinctive feature of Russian policy in the

oil market is the fact that in the near future several (10-12) Russian transnational companies (TNK) will begin to carry it out along with the government. Our leading oil TNKs, without question, will quickly be reckoned among the largest companies of the world, and will occupy a well-deserved place in the world “table of ranks.” In its 27 July 1992 issue FORTUNE published its usual rating of the 500 leading industrial companies of the world. Along with a list of the companies, the magazine gives information on their country and industry affiliation, sales volume, profits, assets, and joint stock capital. The columns of economic information represent a sort of x-ray picture of the framework, the skeleton of the global economy—of the largest transnational corporations.

The 500 largest industrial companies of the world are from 34 countries. The USSR or Russia is not yet represented on the list. There are 157 firms from the U.S., 119 from Japan, 43 from Great Britain, 33 from Germany, and 33 from France. Thirteen countries are represented by just one company each. Stop! The first notable feature is that seven of them are oil companies! These are firms from Argentina, Brazil, Malaysia, Portugal, Thailand, Taiwan, and Venezuela. Of the six Indian companies reckoned among the 500 world leaders, three are oil companies; of the two Mexican companies, one is an oil company. So it is simplest for developing countries, even those not very richly endowed with oil, to create modern large, vertically integrated industrial structures from the oil industry. In a previous article, we showed that an analogous policy is the most advisable today for Russia as well.

The sales volume of oil companies is 931.5 billion dollars, 18 percent of the total for all sales of the 500 companies. This considerably exceeds the corresponding indicator which characterizes automobile and electronics companies, not to mention other industries. The oil companies surpass their competitors in profits even more than in sales volume: the oil companies received 22.1 percent of all profits of the 500 giants. There it is—the foundation of the global economy! There's something to fight for! The combined profits of automobile companies turned out to be nine times less than those of the oil companies. The list of the 500 companies which received the most profits in 1991 is topped by the American oil company Exxon, with 5.6 billion dollars. The company received three-fourths of its profits from foreign operations.

An analysis of the FORTUNE list compared to a list of joint ventures created in our country for the exploration, production, and refining of oil and gas evokes several thoughts. For instance, of our 45 foreign partners only one (!) is reckoned among the world leaders of the oil industry. On our side all joint venture participants are state enterprises. How could several obscure firms interest them? Why aren't there any serious partners? Russia must make its way to the world market differently.

The world's leading oil companies have a combined joint stock capital of 353.6 billion dollars (20.4 percent of the joint stock capital of the “500” group). The joint stock capital of the automobile companies is significantly less—“only” 221.3 billion dollars; for electronic companies

204.6 billion. Everything connected with joint stock capital is of particular interest to us in light of the impending privatization (or "voucherization") in Russia. For making an approximate estimate of the size of joint stock capital of our future transnational oil companies (so far there is only one—Germes Soyuz) the relationship established by a number of researchers is extremely important: The market value of the shares is directly connected to the combined oil (and gas) reserves at fields operated by the company.

So what at least is the order of size of the future joint stock capital of the Russian oil companies? Bear in mind that the assets of the companies are approximately 2.5 times more than their joint stock capital. The joint stock capital of all the world's oil firms significantly exceeds the 353.6 billion dollars mentioned; after all, in addition to the 53 largest, there are thousands of large, mid-size, and small oil firms. Our fixed capital, which ensures the recovery of a million metric tons of oil or its delivery along a pipeline for a thousand kilometers, is valued at approximately the same amount as analogous capital in the rest of the world. The general director of Zapsibnefteprovoda, N. N. Leshchev, shared with us the following information: an appraisal of the fixed capital of the Nayabrsk Production Association was conducted jointly with American experts. It turned out that in August 1992, these assets were worth five times more in rubles than in dollars. Five times—and not two hundred and fifty times!

In the Russian press an estimate has already been given of the foreign currency value of the fixed capital of "Gazprom": not less than 150 billion dollars. At a minimum the worth of the joint stock capital of Russian oil TNKs is 200 billion dollars! Who will be their owner?

Today only a thin chain of "oil generals" is resisting the penetration of foreign monopolies. Abroad they are just waiting for the start of a clearance sale of Russia's oil resources. Without our support the "chain" might be broken.

We are categorically against foreign capital—in any form!—gaining control of our oil industry given the existing exchange rate of the ruble. It is possible to compare any state to a large joint stock company, where money is stock, and one of the main tasks of the government is to try for an increase in the exchange rate of its stock, that is, of its national currency. It is perfectly obvious that the "competitors" are interested in the fall of the exchange rate: this makes it possible to buy up everything dirt cheap. Into whose hands is the current government playing?

The conversion of the oil industry to joint stock ownership must be maximally open and public, and carried out in the interest of all the people under the strict control of their representative bodies. In our view, the shares of stock of oil companies which are in the hands of the state should first of all be exchanged for the vouchers belonging to oil industry workers. It would be strange indeed if people who have devoted their whole lives to the industry were deprived of the opportunity to invest their vouchers in it. Not more than five percent of all shares will go to this. Thereafter approximately 15 percent of shares can be sold

on a joint stock basis to Russian legal and physical entities. We have to give our people the chance to invest money in our most reliable industry. It would even be advisable to prohibit foreign capital from acquiring stock in our oil companies for 2-3 years. Such restrictions are widespread in the world. Thus Mexico, having in PEMEX the world's second largest oil company in amount of joint stock capital, does not allow foreign entrepreneurs to penetrate oil production. Of course other forms of attracting foreign capital may be entirely justified.

The huge oil reserves in Russia and the industrial potential which allows extraction of 400 million metric tons per year even in a crisis period guarantee that Russian transnational companies will become comparable in their power to the leaders of the global oil business, not only in sales volume, but also in joint stock capital and profits. Several Russian companies have a real possibility to join the top tier of the Fortune list. At present calculated in rubles, their joint stock capital will turn into dollars within 2-5 years, and in order to refigure the total in rubles it will be necessary to divide not by 200-250, but by not more than 5-10. It is indisputable that, as in the rest of the world, the shares of oil companies will occupy the leading positions in Russia's stock market. And their "break" in all indicators from companies of other industries in Russia will be even greater than in the world as a whole. Millions of Russian citizens can and should become stockholders! In our country truly transnational companies, capable of actively operating throughout the world, are still just being formed, and the sale of crude oil abroad will in the future by no means be the basis of their activity. Our first TNK is just now solving the problem of refining Russian oil abroad. Of course, this is the usual practice for oil-producing countries (thus Libya's companies, from 1.5 million barrels of oil produced daily in the country, refine 300 thousand barrels at refineries belonging to them in Western Europe), but up to now Russia has not had its own refineries in other developed countries. We are ready to conduct the most diverse financial operations on the world oil market. Taking into account market conditions, Russian TNKs will not only sell, but also buy oil and petroleum products. Of course we won't immediately reach the level of British Petroleum, which, along with its own oil production of 1.5 million barrels per day, purchases 2.4 million barrels on the market daily and sells approximately the same amount, but it is unlikely that it will take the leading Russian oil TNKs more than 4-6 years for this.

Our oil potential not only ensures the complete energy independence of the country, but also allows us to face the twenty-first century with confidence. Russia will remain a superpower—an oil, economic, and military and political superpower.

Russian Entrepreneurs, Western Consortium Vie to Develop Gas Field

934A0200A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 5 Nov 92 p 3

[Article by S. Ivanov: "Will Foreign Firms Enter the Barents Sea?"]

[Text] Russian entrepreneurs intend to develop the most huge gas field themselves. The government's position is still not known.

In what country must entrepreneurs convince the executive power of the need to keep guard over national interests and to develop a domestic industry? You guessed it—in ours.

Russia is now examining five or six rather huge projects which could cushion the economy and take the pain out of the crisis. These are primarily the Udokanskoye copper field in the BAM [Baykal-Amur Trunk Rail Line] region, the Shtokmanovskoye gas-condensate field in the Barents Sea, the Prirazlomnoye oilfield, and the Timan-Pechora oil basin.

Early in October a number of Russian enterprises, realizing that one of the world's largest copper fields was slipping from their hands, united into a Russian industrial consortium. The RF [Russian Federation] Government announced an international competition for the right to develop the Udokanskoye copper field.

The Rosshelf company, whose representatives have declared their intention to stand up for the Barents Sea shelf and extract the domestic gas themselves, was created in May of this year. The main competitor is a Western consortium.

According to the assessments of experts who prepared the published report, "Oil and Gas in Russia's Foreign Policy," the Shtokmanovskoye gas project is assessed as very complicated from a technological standpoint. In some respects it lies beyond the potential of the technologies now being used. If the Western consortium succeeds in getting the right to development the field in the Barents Sea, then the project will be executed on the principles of a concession or an SP [joint enterprise]. In this case the consortium will in one way or another become the owner of Russian gas. The field is located extremely unfortunately for us, and a future gas-transporting system will practically not touch Russian territory.

Unlike the theoreticians, the practical people of the Russian oil industry and 19 of the largest "defense" enterprises have announced that their favorite occupation is to work beyond technological potentials, and their experience in surviving under the difficult VPK [military industrial complex] environment in recent years has been unique. "Rosshelf" has submitted its scheme for assimilating the field in the Barents Sea, under which the advantages for Russia are obvious. Domestic industry and our own labor resources will be counted on, primarily. "Oboronka" [military industry] will get peaceful orders in the amount of about \$2.5 billion, which, clearly, will enable the conversion of these enterprises to begin realistically. Today three large financial groups from the U.S., Taiwan, and Switzerland are ready to grant the necessary credits without requiring Russian Government financial guarantees.

Unlike the Western consortium, which intends to send its share of the gas straight to Europe, our businessmen plan to build plants for refining the raw material and for

producing methanol, which can be used in automotive engines, and to convert the Kola Peninsula to gas.

The job of mastering the Shtokmanovskoye field by our own efforts is completely realistic. In any case, the composition of the Russian team—the Kurchatov Institute, the Kirov Plant, the Izhorskiy Plant, and the Severnoye Machinebuilding Enterprise in Severodvinsk—indicate the seriousness of the intentions. Construction of a platform for Arctic drilling conditions is not a simple matter, but for the VPK it is completely doable. Nuclear submarines were built in Severodvinsk at the above-mentioned enterprise.

There is just one "if." Realization of the Russian project will be possible only if the Russian Government will make the decision to hold a two-stage competition for the right to develop and assimilate the field, with mandatory retention of a controlling block of stock for the Russian side. It is still difficult for defense-plant novices to vie with the long-legged Western competitors, who long ago went out ahead from a poor start. Therefore it is more correct to conduct elimination competitions at home and then, in the second stage, hold a competition among interested Western companies.

According to unofficial information, when Ye. Gaydar was told about "Rosshelf's" claims for assimilating the Shtokmanovskoye field, he nodded approvingly. These days this is a good omen. Most likely this is also a "military secret" that the Premier will not give to either the West or to fellow citizens: having put domestic enterprises in an awkward position, Gaydar is forcing them to spin faster than their Western competitors and seek a way out themselves. This is working, for the time being. The probability of transferring the Sakhalin shelf to a concession has become a bitter and insulting lesson for Russian industrialists. The "Rosshelf" company has appeared as an answer.

Now it is the government's move. Whether Russia will be an oil and gas power or a country whose natural resources are assimilated by others depends upon it.

Work of Transport Academy Highlighted

934A0178A Moscow GUDOK in Russian 23 Oct 92 p 2

[Article by A. Kotelnikov, doctor of technical sciences and member of the Russian Academy of Transportation: "Bon Voyage, Academy!"]

[Text] Moscow—A scientific and practical conference of the Russian Academy of Transportation devoted to working out a state program for the stable operation and progress of the republic's transportation complex, including railroads, aviation and maritime, inland-waterway and automotive forms of transportation, was held in mid-September in St. Petersburg. More than 200 members and corresponding members of the Academy, foreign scientists and specialists in all forms of transportation took part in the conference.

Papers gave an assessment of the present state of the country's transportation system and the branches of

industry that work for transportation, and the formulated the basic concepts of a state program for the development and improvement of the republic's transportation system in relation to its drastically changed operating conditions that are due to the formation of the CIS, the consequences of the economic reform, and the changeover to market relations.

It was noted that, although the country's transportation system that was developed over many years satisfied quantitative transportation needs, it was not optimized, was characterized by fundamental disproportions and a lack of connections between various forms of transportation, and lacked operational flexibility to respond to changes in freight flows. In the past, the transportation departments, which were not united by a common transportation strategy, paid attention chiefly to the development of their own means of transportation, leaving stationary equipment (loading, unloading, cargo transfer, storage, services) in a minor role.

Capital investments in these two areas amounted, respectively to 90 percent and 10 percent, while revenues amounted, respectively, to 94 percent and 6 percent (in other countries the ratio is 50 percent and 50 percent). Consequently, despite the quantity of total shipments, it takes us six times as long to get freight from the sender to the receiver. Given the disorganization of state regulation of freight flows, these disproportions are becoming especially conspicuous: A railroad car spends only one-third of the time in transit, ships stand idle half of the time, and one truck in three travels empty. Today more than 10,000 railroad cars stand waiting to be unloaded in Maritime Oblast ports, the exit to China is clogged with trains, and so forth. With the formation of the CIS, Russia lost most of the most productive Western seaports, and this has made adjustments in the direction of freight flows.

While great attention has been devoted to automating the management of means of transportation through computerization and intellectualization, the system of working with freight and users remains, by and large, on a primitive level.

The conference's work focused mainly on the following areas: the problems of transportation space, resource-saving and environmentally clean technologies, traffic management, communications and information-management, the theory and technology of transportation systems, reliability and safety, the management of enterprises and systems, construction, and the economics of transportation.

The discussion of these problems showed how much in common different forms of transportation have, and the creation of a comprehensive national program for the stabilization and progress of Russia's transportation is an extremely urgent task. This also pertains to transportation science and the system for training specialists.

The Academy has set the need to form common transportation thinking in these areas as an urgent task. It is proposed to set up about 20 centers (some of which would be abroad) for the retraining of personnel with regard to

the common transportation tasks and work under market conditions. It is obvious that these conditions will introduce a great many specific features into familiar notions of the organization of the transportation process. For example, today 120,000 trucks and 200 ships have already been privatized, 35 aviation companies have been set up, and a new problem has arisen: how to keep track to ensure that the required safety measures are followed in their operation. Conference participants tried to answer many of these questions in the draft state program.

Now for a few words about the work of the Academy of Transportation itself, which is a public research association of the republic's transportation scientists. The first year of its development has passed. A great deal has been done: formation of the structures of the Academy, which includes seven regional scientific centers spread around the republic's territory, has been completed. Major scientists from the United States, France, Germany, Sweden, Finland, Poland, Czechoslovakia, etc., have also been enlisted in its work.

Three conferences on the common transportation problems of Russia have been held (In Suzdal, St. Petersburg and Aksakovo), and preparations are under way for the publication of an eight-volume *Bolshaya entsiklopediya transporta* [Great Encyclopedia of Transportation] (the first volume will come out this year). Two issues of a bulletin of the Academy of Transportation have been published. A competition for priority scientific problems has been held, and financing has been provided for them. About 10 of them concern rail transportation. An independent accreditation center has been set up under the Academy; its principal task is the state, public and professional assessment of the higher schools' work in training transportation specialists who are capable of working under present conditions with a high degree of effectiveness.

REGIONAL AFFAIRS

Emergency Status in North Ossetia Viewed

934C0283A Moscow ROSSIYSKIYE VESTI in Russian
4 Nov 92 p 1

[Article by Sergey Karkhanin and Sergey Petrovskiy under the "Hot Spots" rubric: "North Ossetia: State of Emergency in Effect"]

[Text] Georgiy Khizha: "Order will be restored in North Ossetia."

They Returned With Weapons

Just a year and a half ago on the road to belligerent Tskhinvali, we saw on the streets of then-peaceful Vladikavkaz military armored personnel carriers and militiamen with automatic weapons at the ready. Rumors about preparations for an incursion into Prigorodnyy Rayon by the Ingush alarmed all of North Ossetia. At that time the threat passed by. But the Bickford fuse of future conflict, ignited by the law on the rights of rehabilitated peoples, would sooner or later have to bring about an explosion. And so it happened. According to the law, the Ingush have the right to return to the region from which

they were exiled during the years of Stalinist repression. But for almost half a century now, other people have been living on that land. What about them?

"We shall move them out by fire and the sword!" Ingush leaders decided, and there was bloodshed. The registration of volunteers was begun in front of the parliament building of North Ossetia. Funds are being collected in Grozny to assist Ingushetia.

In closed session, the Supreme Soviet of Russia ratified an edict of President Boris Yeltsin on introducing a state of emergency in North Ossetia and Ingushetia.

Yeltsin signed the edict on introducing a state of emergency from 1400 hours 2 November until 1400 hours 2 December, in connection with the sharply deteriorated situation in North Ossetia and the Ingush Republic, as reported by the presidential press service.

There is no need to say a great deal about the serious consequences for Russia of armed conflict between the Ossetians and Ingush. The president understood this as well when he convened an urgent session of the Security Council immediately following a visit to Astrakhan. There were no absentees at this session. And it is evident that the role of Georgiy Khizha in localizing the first armed conflict in Russian territory was also determined at this session.

This is the first time Georgiy Khizha has undertaken such responsibilities, but there are quite a number of people in the government whose jurisdiction includes the resolution of interethnic issues. Although the entire career of the deputy prime minister is associated with the military-industrial complex, he never showed sufficiently great cause to be accused of belonging to a definite political trend. More than anything else, he wanted to see himself outside politics, a specialist in applied economics....

But all the same, why Khizha? It is felt that in the current, exceedingly serious situation for Russia, the president needed a decisive individual, a person capable of acting with severity in an emergency situation.

Having secured the support of the president and the "structures of power," Georgiy Khizha went to Vladikavkaz. It must be said that the president's appeal to the Armed Forces and to the internal troops of the Russian Ministry of Internal Affairs played its role. The words—"I, as president, call upon you to manifest a high sense of duty. Your actions are protected and secured by the law and supported by the people"—give military servicemen additional opportunities to stabilize the situation, guarantee security in the region, and facilitate the creation of a normal psychological environment in the field. This is the view of the Russian Ministry of Defense and Ministry of Internal Affairs.

The first steps G. Khizha undertook—decisions on the destruction of all types of armaments, confiscation of weapons during the course of Army operations, and the resolute suppression of firing positions—provide convincing evidence that the deputy prime minister's words match his deeds.

Regarding the reasons for the conflict in the territory of North Ossetia, Georgiy Khizha stated that a more general problem exists—namely, an absence of authority in Ingushetia, a lack of government and law enforcement organs.

The main danger for the North Caucasus region emanates from Chechnya, Georgiy Khizha stated, following a conference at the Council of Ministers of North Ossetia. In the words of the deputy prime minister, the situation is constantly being supercharged from Grozny.

In the opinion of Georgiy Khizha, a resolution to the Ossetia-Ingushetia problem need not come for absolute certainty through a review of borders. For example, a free economic zone could be established in the region, he stated.

Barriers Set Up, Hostages Released

Subunits of Russian internal forces operating jointly with airborne assault forces sent to the region of conflict managed to bring the situation in North Ossetia on the whole under control and to neutralize the activity of Ingush armed formations. This was reported by the press center of internal forces of the Russian Ministry of Internal Affairs.

At present, internal affairs servicemen, in cooperation with the assault forces, are providing security for the airport. Barriers and ambushes have been set up along sectors of possible conflict between the sides in conflict. Armored maneuver groups control the terrain.

All soldiers seized previously as hostages have been released, with the exception of five servicemen of Ossetian nationality who continue to be held in Nazran. Negotiations are presently underway with respect to an exchange of hostages and prisoners, as well as with respect to the return of weapons and armor equipment taken from the servicemen. Colonel General Vasily Savvin, commander of the Russian internal troops, is participating in the negotiations.

Additional subunits of internal troops are arriving in the region, experienced in securing public order in hot spots.

Chechen Parliamentary Speaker Akhmadov Interviewed

934C0195A Moscow NEZAVISIMAYA GAZETA
in Russian 28 Oct 92 p 3

[Interview with Khuseyn Akhmadov, chairman of the parliament of the Chechen Republic, by Natalya Pachegina; place and date not given: "Chechnya Is Not Only Dudayev"]

[Text] As it seems, acquaintance with one of the politicians, who rose on the "wave of sovereignties," will be of interest to readers. Historian Khuseyn Akhmadov, who, by his own admission, postponed his dissertation, because "real life is richer than any fantasy," is a representative of a very old profession, which is becoming ever more popular in our country—that of a speaker.

[Pachegina] Why is it that, if Chechnya says something, Russia ponders over it?

[Akhmadov] Unfortunately, not so much ponders as is startled by it, not taking the trouble to truly investigate the political situation in the republic. This is due to the absolute ignorance, as before, when Chechnya was a colony of the Russian Empire, of both the characteristics of the people and, especially, of its leaders. Our president personifies for Russia the republic's entire political palette. If he threatens acts of terrorism all over Russia, or states his opinion of the United Nations, all attention is on him, as if he were Chechnya's navel, and this is perceived as state policy. The Russian leadership either intentionally does not want to see, or out of the colonial habit does not take the Chechen people seriously—only in Grozny are there sufficient forces capable of managing affairs with other intonations.

[Pachegina] Apparently, the year of independence did not pass without a trace for any of the parties. Do you believe that Chechnya has acquired true independence?

[Akhmadov] Of course, not. In general, I think that true independence appears when a citizen, having a house, as they say, a full cup, sees all the advantages of independence and has something to protect. Economic, financial, and air blockades—during the latter we had the opportunity to become convinced ourselves: Moscow is destroying Chechnya's age-long orientation toward Russia. With its policy thoughtlessly cutting off North Caucasus and Chechnya, in particular, from the economy, culture, and, finally, laws of Russia, its leadership does not fully foresee the consequences of such steps, which are also dangerous for it.

In practical terms this year gave a good deal. The political system was dismantled. However, now, 1 year later, the mistakes are quite visible: We have dismantled the rayon level of power, organizing an economic chaos ourselves. This has also complicated the organization of work of the republic's highest bodies. From the political aspect Chechnya has its president, parliament, cabinet of ministers, and opposition; in brief, everything that any other state has.

[Pachegina] Khuseyn, you head the republic's parliament. It seems that our public, which is familiar with Union and Russian parliaments, as well as with their speakers Lukyanov and Khasbulatov, knows nothing about Chechnya's parliament. What could you, Chechnya's legislative power, put down to your credit this year?

[Akhmadov] The parliament of the Chechen Republic is losing numerically to the former Union and the present Russian one. Forty-one deputies form the Chechen parliament. The average age of my colleagues is 35 years. Among physicists, economists, historians, and philologists only one deputy is without higher education. There is one Russian in our parliament. Nevertheless, during debates he does not experience language difficulties when from Russian we change over to the Chechen language: In the republic both languages have state rights.

In one year of work the parliament adopted about 40 laws. On 12 March Chechnya received its constitution. We approved the decision on the Constitutional Court. In my opinion, this is quite a bit for one year of work.

[Pachegina] In your opinion, what is more natural for Chechnya: the president or the parliament?

[Akhmedov] Although the Chechen people have their president, our republic is parliamentary. After all, the parliament is not only the supreme legislative and controlling body. It also measures out the power of any official, including the president. I will cite an example: In the spring of this year a crisis occurred in the republic's Ministry of Internal Affairs. Its director Alsultanov "took refuge in the president" by all possible methods, including attempts at the reorganization of the entire ministry structure. However, when the president realized that the parliament would not deviate from the law, he agreed with our decision to remove the minister from his post. The parliament also wages a fundamental fight against the president with regard to the personnel of the republic's cabinet of ministers. Although we, the parliament, approve every department director on a competitive basis, it happens that to this day Yaragi Mamadayev, who was removed by the parliament of the Chechen Republic a long time ago, is the first deputy prime minister and deputy of the president himself. The parliament and, of course, I made many mistakes by forming such a "toothless" cabinet. I personally do not see in it anyone that would say: "Honor is more precious than the post." All of them look and act with the permission of Mamadayev and his "guardian" in the person of Dudayev. Meanwhile, compliance with the republic's constitution, as well as saving the president's face, is the parliament's goal. Judge for yourselves: Under present economic conditions in the republic it is not so difficult to subject Dudayev to criticism. However, our goal is to preserve the president's honor and dignity. After all, it is possible to reach our main goal—achievement of the republic's sovereignty—by different ways. But the president sometimes will make a brilliant statement and sometimes will cancel the operation of Russian laws on Chechnya's territory. I, however, from the first days of the parliament's work insisted that it made no sense to create new Chechen laws.

With regard to the naturalness of one form of rule or another, I will state the following: Here in Chechnya everyone considers himself a prince. And, of course, he does not recognize any dictate over himself. All of us consider ourselves to have the right to participate in the republic's political life on an equal basis.

[Pachegina] Would similarity with some speaker—Lukyanov or Khasbulatov—flatter you?

[Akhmedov] You, as a woman, should know well that a man cherishes most of all his own lack of resemblance to anyone. Does my answer satisfy you?

[Pachegina] Fully. Combinations of the type of "parliamentary battles" have fully established themselves in the press. Khuseyn, how do you manage to maneuver among the numerous points of view of your colleagues?

[Akhmedov] To be honest, this is awfully difficult. The small size of our parliament does not at all protect one from difficulties arising during work. If I begin to "pressure" deputies, I will hold only one meeting. I see my task

as chairman in perceiving frames of mind at the proper time and in directing them into a constructive channel. As far as I know, my colleagues raised the question of my resignation four times. However, I fear no one, neither those who sit in the meeting hall, nor those (the master of the office nods in the direction of the house across the street, where the president is) who sit there.

Indeed, battles are going on here. Do you know how "we speak"? Sometimes someone in a quick temper will even shout: "Speak Chechen." And it begins... But sometimes none of us will permit himself public insults, because he realizes that he will have to answer for this. This is the Caucasus.

[Pachegina] Are you hinting at your Russian colleague?

[Akhmedov] Khasbulatov does not exist for us. The parliament of the Chechen Republic deprived him and other representatives of the former Chechen-Ingush Republic and the Supreme Soviet of the Russian Federation of deputy powers. However, I stress that not a single deputy of the Chechen parliament will permit the president or any of the republic's leaders to be called "boys."

[Pachegina] What constructive things in Chechnya's domestic and foreign policy do you propose?

[Akhmedov] I would say that inside the country the parliament of the Chechen Republic is more radical than the opposition, especially with regard to executive power and the question of the republic's sovereignty. Chechnya's budget is drawn up so that Chechen funds proper make up one-half of it and 50 percent of the budget is guaranteed through our minister of finance by the Russian authorities.

For the first time in our republic tolerance is backed by expenditure items. The parliament allocated 50 million rubles for support for all religious institutions in the republic. It allocated 10 million for the organization of the Islamic Institute in Chechnya. My meeting in September with representatives of Orthodox, Jewish, and Armenian-Gregorian churches enables me to think that the agreement on cooperation reached in the course of meetings has a future. With respect to foreign policy the results of our contacts with members of the Russian parliament seem quite optimistic. Russia's big conservative state organism can be put in motion from Chechnya. I have already received specific proposals from leaders of parliamentary committees concerning ties with Russia's legislative and executive structures. Why, in fact, should a "criminal cesspool" be made out of Chechnya, when a law-abiding population is advantageous for both countries? Economic ties are simply inviolable, because only a dilettante can think that political independence begins with their breakdown.

[Pachegina] I know that the Chechen are not used to being frank about their family.

[Akhmedov] I have four children, two girls and two boys. My wife works at a sewing enterprise in Grozny. I see them rarely, there is no time left for relatives, but I know from my wife that the little ones miss me very much.

[Pachegina] A traditional question about leisure...

[Akhmedov] I was keen on photography and at one time I found pleasure in collecting optical instruments and clocks. But my relatives (he laughs) took them apart. For one-and-a-half years I seriously engaged in weightlifting—physical training is very useful for a politician of the new formation.

Commentary on Chechnya's Source, Acquisition, Misuse of Weapons

934C0196C St. Petersburg NEVSKOYE VREMYA
in Russian 8 Oct 92 p 2

[Article by Valeriy Shuykov, secretary of the Committee on Defense and Security of the Supreme Soviet of the Russian Federation: "What Is the Source of Dudayev's Arms?"]

[Text] I remember that, when our parliament adopted the decision on nonrecognition of the elections in Chechnya, at the same time one of the deputy commanders of the North Caucasian Military District concluded an agreement with Dzhokhar Dudayev on a transfer of arms and equipment. In fact, everything happens in such a way as though here, in the center, we do everything especially to make these territories burn. On the order of 150 units of armored equipment were transferred to Chechnya and 165 aircraft, more than 40,000 units of small arms, and 1 million units of ammunition were left to it. If we continue to act like this, why be surprised that there are arms in North Caucasus!

At one time the loss of one pistol would have caused an investigation at the highest level. But now arms are thrown for an entire army—no one assumes responsibility. If, proceeding from humane considerations, we cannot introduce proper order in Chechnya, Dzhokhar Dudayev and others of that ilk should realize that outside this territory they will be considered criminals. Recently, however, Dudayev has been traveling throughout the Russian Federation. As far as I know, he was both in Karachayevo-Cherkessia and in Dagestan and now he is about to go to Adygey... He passes through Stavropol Kray with his guard and no one puts obstacles in his way. His ministers fly outside Russia and meet at the highest level with leaders of the Baltic and other states, even outside the former USSR... And after this we are outraged at what is going on in Kabardino-Balkaria!

Delegates Elected to Congress of Peoples of Dagestan

934C0196B Moscow NEZAVISIMAYA GAZETA
in Russian 22 Oct 92 p 3

[Article: "Dagestan"]

[Text] Elections of delegates to the Congress of Peoples of Dagestan have ended.

A total of 802 people, including 32 women, have been elected.

Economic managers have received 190 mandates and representatives of local bodies of power, 151. In connection with this observers fear that the congress can turn into a variety of the party and economic aktiv in the spirit of former times.

According to the intention of the authorities the congress should promote the strengthening of national peace and consent in Dagestan. It is to be opened on 13 November. (On that day in 1920 at the Extraordinary Congress of Peoples of Dagestan Yosif Stalin proclaimed the republic's autonomy).

The draft of the Constitution of Dagestan, as well as the sociopolitical situation in the republic, is to be discussed at the congress.

Meanwhile, on 24 October Dagestan's opposition parties and movements intend to hold their congress of peoples of the republic. The opposition demands the dissolution of the supreme soviet, the scheduling of new elections to the parliament, and the formation of a new government. Part of the opposition also supports a federative system for Dagestan.

Competition Held in Pskov To Fill Vacant Post

934C0196A Moscow NEZAVISIMAYA GAZETA
in Russian 8 Oct 92 p 6

[Article by the Severo-Zapad [North-West] IA [Information Agency]: "Competition Among Officials"]

[Text] A competition to fill vacant posts in the city administration was held for the first time in Pskov's history. Six ordinary inhabitants of Pskov were ready to fulfill the duties of deputy head of the administration for industry, transport, and communication and four, to engage in the recording and distribution of housing.

Now there are no vacancies in the administration. The commission on the competition headed by the city mayor has already elected, in its opinion, the most worthy candidates.

Udmurt Concerns Over CW Destruction Plant Viewed

934P0006A Moscow NEDEL'YA in Russian No 39,
Sep 92 [Signed to press 30 Sep 92] p 7

[Article by Viktor Litovkin: "Passions Surrounding Lewisite: How in the Udmurt City of Kambarka They Intend To Eliminate the Largest Stores of Poisonous Substances in Russia"]

[Text] Kambarka-Moscow—Kambarka Chief of Administration Vladimir Konyashin gave the Moscow interdepartmental commission a hostile reception. "Until you give us the 6 million you promised," he stated to General Yuriy Tarasevich, representative of the Russian Defense Ministry, "I will sign nothing."

Kambarka is not the largest city in Udmurtia. It has just 13,500 residents, 5,000 homes, and three plants. There is no sewage, plumbing, or gas line. But it is famous

throughout the world as the site of the largest stores of poisonous substances in the world.

Here in 90 cisterns, somewhat larger than tank cars and tightly walled into concrete, more than 6,000 tonnes of lewisite has been concentrated since the last war. A dark brown liquid with the sharp smell of geranium, just 20 milligrams of lewisite vapor dispersed in a few cubic meters of air is capable of inflicting death upon dozens, hundreds, even thousands of people.

Three years ago, when the Kambarkans suddenly learned of their unusual "wealth," of the fact that military and party authorities had hidden the truth from them for so many years concerning the horrible weapon, lurking literally under the windows of every house, passions reached an incredible fever pitch. And although no one ever recorded a single instance of lewisite poisoning, there was no slackening of demonstrations held at the gates of army arsenals and the building of the rayon soviet.

Demands that the deadly menace be immediately removed from the city, that people be compensated for psychological harm inflicted through risk of death over a half century from our own weapons of mass destruction, that normal living conditions be secured—installation of sewage treatment, plumbing, gas lines, construction of purification facilities at the pond from which Kambarka gets its drinking water—all of these battle cries led to a situation in which the old party-Soviet nomenklatura was swept away and new people came to power.

Vladimir Konyashin is one of those who led the struggle of Kambarkans against the arsenal. A former raykom [rayon committee] secretary and in those days principal of the local school, one who suffered at the hands of those same party bureaucrats, Konyashin promised city residents he would execute their orders and tied his destiny in with that of the lewisite stores.

"For four years now each of our families has known that it is living on top of a time bomb," the chairman of the Kambarka Rayispolkom [rayon executive committee] told me. "And the issue is still not resolved. The city has been told that the lewisite will not be transported away from here—neighboring oblasts and republics will not allow it to pass through their territory. While experts argue to this day as to what should be constructed here—a facility for destruction and conversion of the poisonous substances or a facility for removing them from their containers.

The important thing for Kambarkans is an absolute guarantee of safety during the operations. They insist that the directive body overseeing construction of a future facility consist of civilians who reside in the city and that capital investments in the structure not skirt around the social needs of the population.

"First we need money to satisfy the needs of the city, only then—for the facility," Konyashin states both at conferences of the Russian president's conventions committee on problems of chemical disarmament and at meetings with the military. "Otherwise we will see a second Chapaevsk."

The mentioning of Chapayevsk is neither threat nor blackmail. There both the Ministry of Defense and the government committed a strategic error: They first constructed a plant for the destruction of projectiles and aerial bombs loaded with poisonous substances, investing over 100 million rubles in this project, and only then began to explain to the protesting population the necessity of such a facility. It did not work out.

In order for this not to be repeated in Kambarka, Konyashin is proposing that people be afforded an early opportunity to feel specific benefits from their proximity to a dangerous facility—to add supplements to their pensions and pay for the risk, to build hospitals, schools, a movie theater, construct roads, sewage treatment facilities, and gas lines, set up normal telephone communications, erect bridges across the rivers, build farmstead-type housing, improve the provision of foodstuffs and essential products to the people... According to estimates of local experts, the initial expenditures for such construction will come to over 2 billion.

A portion of this money for the city was promised by the military—about 6 million. The deputy chairman of the Udmurtia Council of Ministers has a letter to this effect, signed by Colonel General Stanislav Petrov. The chairman has already begun to build a main water pipeline using these funds. But the money never arrived in the city's accounts, and monthly penalties imposed already come to 200,000. Reason does exist for being cross at the military.

"We transferred the money to Kambarka," Major General Yuri Tarasevich assured me. The deputy chief of the Directorate for Radiation, Chemical, and Bacteriological Protection added: "There is even more than we promised—16 million. Unfortunately, however, the country's banking system is letting us down."

But the problem is far more complex.

Essentially, the same thing the chief of the Kambarka administration is seeking has already been emplaced in the directive of the Russian Federation president "On Initial Measures for Preparation to Implement Russia's International Obligations in the Sphere of Destruction of Chemical Weapons Reserves." But here is where the misfortune lies—the billions required to implement this directive so badly needed by Konyashin, and by the chiefs of administration of other rayons in which deadly weapons of mass destruction are also stored, as well as by the military and the conventions committee, are not yet available. And no one can say how soon it will be before they appear.

The problem here does not involve the crisis in our economy. The government will only allocate money for a specific program, a concrete project coordinated with and approved by all interested parties. In addition to the city and rayon of Kambarka, their chief of administration and population, the interests of the Udmurtia State Committee for Ecology and Utilization of the Environment and of the autonomy's Council of Ministers and other officials must be taken into account.

Vladimir Lonshakov, a representative of the Udmurtia Council of Ministers, stated:

"We will convert the lewisite in the republic into arsenic. And we want this to be a joint-stock enterprise, a portion of whose income will go into the budget."

Also having their own interests here are the many thousands of collectives of contracting, design, and scientific research organizations, which would develop, test, and convert to metal and concrete the projected designs, and obtain the final product.

Then there is also the Russian Ministry of Defense, responsible for safety in storing the lewisite, and the conventions committee, obligated to begin its destruction and conversion in the shortest possible time frame...

But the interests of the various departments do not coincide.

The military, for example, insists on the construction in Kambarka of a facility for removing the poisonous substances from their obsolete fixed storage tanks and placing them in modern, transportable, technologically efficient containers which would undergo all required testing and demonstrate absolute safety with respect to storing the lewisite. Such a container would enable the substances to be transported to any region where a facility would be constructed for conversion of the chemical weapons.

But the conventions committee of the Russian president is convinced that the facility must accomplish the process of rapid neutralization of the poisonous substances, and then effect a displacement of neutralized material into containers, so that it may be converted into the industrial arsenic which is such a valuable raw material to the electronics industry—the cost of one kilogram fluctuates on the world market around \$2,000.

The committee has several designs of such a facility which could be selected, designs which have been solidly approved by international experts. True, there is not as yet any design-experimentation model; on-location testing has not been conducted. This too requires time and resources.

"But as far as our position of principle is concerned," Academician Anatoliy Kuntsevich, chairman of the conventions committee, told me in conversation, "we are prepared for any compromise, and in working out any final decision we will proceed first and foremost from the interests of the local population, of providing totally for their safety and ensuring their comprehensive social needs. Only then will we select a specific project through which destruction of the chemical weapons can begin."

Our editors have learned that this selection has already been made.

It was decided at a session of the conventions committee in which all concerned parties participated to construct in Kambarka a facility for removing the material from the old tanks and neutralizing the poisonous substances. Taking their experience into account, it was decided to designate the construction organizations of the Russian Ministry of Defense as general contractor.

This decision should become a resolution of the Russian Government in the next few days.

Prior to sending this material to press for publication, I phoned Vladimir Konyashin, chairman of the rayispolkom in Kambarka.

"We still have not received the money, and we are waiting for it. But all the conflict with the military has been removed. We have published the decision of the conventions committee in the local press and people have reacted calmly to it. I am traveling to America to find out how this kind of thing is handled there."

Well, for the time being passions over lewisite have subsided. But for how long—only time will tell.

Sobchak on St Petersburg Economy, Changes

934C0265A Moscow ARGUMENTY I FAKTY
in Russian No 43-44, Nov 92 pp 1-2

[Report on interview with St. Petersburg Mayor A. Sobchak by ARGUMENTY I FAKTY correspondent L. Novikova; place and date not given: "I Still Do Not Think That We Are an Absurd Country"]

[Text]Our correspondent L. Novikova talked to St. Petersburg's Mayor A. Sobchak

[Novikova] Anatoliy Aleksandrovich, how do you see the current situation in our country, what is the point of view of one of the first people "to enter into power"?

[Sobchak] Strangely enough, I view it with a certain optimism, though the situation is complex and difficult and, what is worse, we keep exacerbating it by our actions. I would start watching a TV program, for instance, or listen to the radio: Our favorite, well-known writers, directors, and scientists appear there, and all of them speak nostalgically about the past; they tell you how horrible our life is now, how difficult, even how unbearable it is. But many people understand that for over 70 years we lived in a concentration camp, where we had no freedom to speak, or to write, or to create, where we saw the senile absurdity of Brezhnev, Suslov, Chernenko. We saw what was happening and we kept silent, as we lived in constant humiliation, up to our ears in muck.

All this finally came to an end; we gained a chance to live like humans. It is true that now you have to try harder, and many people do not want to or do not know how to.

For some reason, very few people mention how much is being done today that was simply hushed up yesterday. Nobody talks about our old people forgotten by everyone, about our invalids, hospitals, charity shelters, and children's institutions which has reached a state bad enough to make your hair stand in end. We are providing state-of-the-art equipment to all these places now; operations are being performed here now which we could not even imagine some two or three years ago.

[Novikova] But our authorities, personified by the Supreme Soviet, are also heating up emotions!

[Sobchak] Yes, especially when they fight with one another over their seats, over their ambitions, when they present endless accusations to each other; instead of resolving most important issues of the life in our country, they are fighting over petty problems. You know, I cannot watch our parliament sessions without feeling bitter and ashamed: I feel ashamed for the deputies, for what they say, for the way they act. One starts wondering after a while: Where do we live? I cannot believe that the country which gave the world Dostoevsky, Tolstoy, and Tchaikovsky is a country of the absurd.

[Novikova] Anatoliy Aleksandrovich, what is the situation in our city now?

[Sobchak] Basically, it is the same as in the rest of the country in general, though it has become more distressing in the political sense. Here is why. Last year, our democratic forces were inspired by the defeat of the putsch; in a way, they united and their participation in the life of our city was more palpable. Now we do not sense any presence of any democratic organizations at all: Since the beginning of this year, the mayor's office has not received from them a single permit request for a rally, a demonstration, or any other mass gathering. However, they are being held regularly, every week by the national-patriotic parties Our Own [Nashi], Pamyat, etc.

[Novikova] In September, the cost of a consumer basket in St. Petersburg was 4,579 rubles [R]; an average salary at an enterprise was R3,480. What would you say about this?

[Sobchak] It depends on how you calculate the consumer basket, on what you include in it. My position is such: Our policies should vary, depending on whether they concern durable goods, everyday necessity goods, and foodstuffs. Basically, people are now complaining about high prices on food, but they are prepared to accept all the rest, and they understand that if you want to buy a car you have to work, to invent something.

I think that the government simply must repeal the value-added tax on food. Prices would be cut approximately in half, and that means that the situation would become simpler.

[Novikova] I saw huge lines in front of bread stores on Nevskiy today. What does that mean?

[Sobchak] The managers of the former association Lenkhlebprom [Leningrad Bread Industry] are conducting an open act of sabotage. Its director, Ivanov, made some attempts in the city to turn his company into a joint-stock or privatized one, but the antimonopoly committee prohibited this, as a single monopolistic structure was being formed. Then he did the same in the oblast, which now is home to a large number of former high-ranking party officials. Literally just one day later, the bread output went down drastically, and lines started to appear although there was more than enough flour in the city; we have also started a large flour mill operating with the latest Swiss and West German equipment.

If this is going to continue, we will have to start loading bread under militia supervision, as was done last year,

because things like that have already happened before: In the fall of 1990, in the fall of 1991, and in the fall of 1992.

[Novikova] Anatoliy Aleksandrovich, you often visit other countries. What do you bring home from there?

[Sobchak] New projects, investments, and humanitarian aid, among other things.

[Novikova] Do you openly ask for them, or make hints, so to say?

[Sobchak] No, I do not make hints. I openly offer my plans on how to sell food in our country and how to invest the money from the sales in our economy. Several times I offered the Russian government to present this program, so that surplus food was sold to us by European countries which have such surpluses and often destroy them; they should invest the money received from the sales in our economy by becoming co-owners of our plants, by buying the land, etc.

This will allow us a speedier integration in the European economy, we will attract foreign capital and resolve our food problems. The mechanism is rather simple and everybody understands it, but the issue, unfortunately, does not get resolved. As for St. Petersburg, we do barter trading; we signed very good contracts with Poland and Hungary, who also have surplus food. I think that the Baltics will also bring their products to our market after some time passes.

I also go to places other than foreign countries. Recently I was at a meeting in Chuvashia, and in two days I signed contracts for the delivery of about 30,000 tonnes of potatoes at R12 a kilo. In Leningrad Oblast we have to pay R25 a kilo!

[Novikova] Nevskiy Prospekt now looks like something from "over there," with its foreign-language signs, picturesque shop windows, and nice-looking goods everywhere. What do the city and its people get out of it?

[Sobchak] They get money. And also goods. There is nothing wrong with an abundance of joint ventures, foreign stores, and restaurants. What is important is to translate all this into "ruble relations." We gave the name "Austrian" to one square. The Austrians promised to transform it completely, to make it into a corner of Vienna in a way. There will be Viennese billboards, Viennese pay phones, trash cans, street signs, traffic lights, etc. There will be a joint pharmacy, a Viennese coffee house, a clothing store, and a house of fashion. They promise to put up and decorate a Christmas tree for the New Year, to help the rayon children celebrate Christmas the way it is done in Austria.

[Novikova] Tell me, how are the people of St. Petersburg, of Leningrad, different from residents of other our cities?

[Sobchak] There is more of a spiritual, of an intellectual aura about them. Many things have changed, of course, but when I came to this city in the early 1950's it seemed more tangible to me then. Since long ago, St. Petersburg has been the westernmost city of Russia, and the Western trends were always quite considerable, even in everyday life. Besides, we have a large layer of intelligentsia. In spite of

all our troubles, a certain class of people has been preserved; these are the people who go to the philharmonic hall, to our theaters. This is where you can sense the spirit of St. Petersburg and its way of life especially well.

[Novikova] Anatoliy Aleksandrovich, during your term in power, what occasion do you remember more than others?

[Sobchak] Oh, there were so many of them! But when you see people unsettled, grieving, desperate, you literally feel lost for days. I always try to help, without paying much attention to whether it is "according to regulations" or "against regulations." Here is one case: A woman died and left her 35 year-old husband all alone with seven children. Or, a married couple died in an accident and left their eight children with their grandmother, and she was not even getting a pension. Then I decided to help her out with my own money. Later, however, some people started saying that these were my children. Well, I am well used to rumors.

[Novikova] What was your hardest day?

[Sobchak] There were many such days. The putsch days were hard. It was very difficult last December, when all food deliveries to the city stopped. All our resources ran out, the Baltics and Ukraine canceled their deliveries. The entire month of December we were feeding the city with canned meat from the state reserves. I felt very bad about the fire in the Leningrad Hotel, which killed 15 people. There were other things too, I saw a lot—dead bodies, suffering....

[Novikova] What was your happiest day?

[Sobchak] Journalists always want the most, the best. It does not happen that way. It seems today is the most and the best, but tomorrow is even better. There were some wonderful days when some positive, even unexpected things were happening in our city. Recently, I experienced the very happy feeling that we would cope with everything and overcome anything when I went to see the new elevator equipment plant. We built it in just one year. That means we can do it! Or when we, together with the Italians, started the country's first yogurt production line.

[Novikova] What is your new book about, and what are you reading now?

[Sobchak] Recently I read a mystery by James Hadley Chase. I needed to relax. The book that I wrote is "The Tbilisi Curve, or the Bloody Sunday of 1989". In this book I published all documentary materials about the tragedy.

[Novikova] What have you seen in the theater?

[Sobchak] A most stunning performance in the Hermitage theater. Boris Eyfman showed his choreographic interpretation of the Mozart requiem. A fantastic show!

[Novikova] When did you go to the concert last?

[Sobchak] A week ago, my daughter and I went to a concert of Filip Kirkorov. Just this past Monday, we celebrated the 50th anniversary of the Komissarzhevskaya Theater. It was a very pleasant evening. I saw a "roast," and my favorite actors.

INTERNATIONAL AFFAIRS

Further Report on Tokyo Aid Conference

934A0197A Moscow NEZAVISIMAYA GAZETA
in Russian 31 Oct 92 p 1

[Article by Vasily Golovnin under the rubric "Meetings": "The Party and Economic Activ in Downtown Tokyo: Russia Will Accept Aid, but Not in Degrading Fashion"]

[Text] Tokyo—The session in the luxurious conference hall of the New Otani Hotel in downtown Tokyo, site of the concluding International Conference on Problems in Assisting the "Newly Independent States"—i.e., the 12 republics of the former USSR, with the exception of the Baltic republics—was quite reminiscent of the party and economic activ of the golden era of the Soviet Union. Representatives of 70 countries and 19 multilateral organizations were attending this forum to generalize the results of their charitable activity and decide what should be done in the future.

Seated in the hall of the New Otani, one after another the heads of government, ministers of foreign affairs, and leaders of the parliaments of the "newly independent states" took the microphone and set forth their needs, speaking in Russian because of the unavailability of translators in the ethnic languages. The majority of presentations comprised carbon copies of one another: Winter is approaching and we must therefore send food on an urgent basis; our young state is very rich in resources and is just awaiting the flow of foreign capital; our reforms are not presently yielding a great effect, but things will rapidly get moving if help is received from abroad. What would only be remembered against this background, perhaps, was the short speech, a cry, from the representative of Tajikistan, who without any pretentiousness simply requested those present to help, asked those who were able to give what they could, since common hunger awaited his republic in the months to come, a state with gross national product per capita amounting to \$20 a year, under conditions of growing internal discord. Resounding in sharp contrast to this was the presentation of Russian Vice Premier Aleksandr Shokhin, who was perhaps the only representative of the "newly independent states" to express precise thoughts regarding the forms and methods of future cooperation.

The fact of the matter is that the Tokyo conference put an official end to the foreign assistance provided "the ex-USSR" as a whole. From now on such forums would no longer be convened and all grants would be directed to each of the "newly independent states" individually through specially created support groups under the aegis of the World Bank. This has long since been a developed practice, insofar as "assistance clubs" have many times been organized in order to feed and modernize the poorest states. In the view of the World Bank, Kazakhstan and Kyrgyzstan are most prepared for such a form of contact, since experts believe reforms are being carried out fairly energetically there. It is expected that the "clubs" with respect to these countries will begin to operate as early as December. Uzbekistan and Azerbaijan have almost

reached the same level, and preliminary groups are being established in their regard, intended to provide limited assistance in the form of providing on-the-job training for specialists, etc.

Standing somewhat aloof is Russia, viewing what the dictate of some philanthropic organization was offering them as degrading. In exchange, Aleksandr Shokhin noted, the Russian Federation proposed that a consultative group be established for effecting ties among the partners, with three cochairmen—from the World Bank, one of the main donor countries, and Russia itself—which would allow Russia to have a significant influence on decisions made. From all appearances, the West and Japan agreed with this point of view and the group for assistance to Russia, the vice premier believes, may begin operating as soon as the end of November.

Public Opinion on Kurils Handover Hardens

934C0292A Moscow NEZAVISIMAYA GAZETA
in Russian 6 Nov 92 p 2

[Article by Boris Grushin in the column "Survey": "The South Kuril Islands. Still 'Do Not Give an Inch': Surveys of Russians, November 1991 and August 1992, 1,917 and 1,590 People"]

[Text] The percentage of those who would not agree to transfer the Kuril islands increased by five points over the past year; at present there are six opponents of this step per each supporter.

The percentage who would not agree to transfer the islands comes to approximately nine-tenths in the 60 and over age bracket, among individuals with an education below high school, workers, and retirees. On the contrary, the predominance of opponents over supporters comes to a factor of only three-four among young people under 30, individuals with a college education, managers, specialists, and students. Those who have difficulty answering are not taken into account.

The supporters of the transfer of the islands emphasize the normalization of relations and the development of economic cooperation with Japan, whereas the opponents emphasize the maintenance of the status and prestige of Russia as a great power and the legal successor of the USSR. It should be noted that the legal argument—the degree to which sovereignty over the islands conforms to previously signed international treaties—ranks close to last among arguments put forth by both the supporters and opponents of the transfer of the islands. As far as the fact that the Kuril islands were originally populated by the Ainu ethnic group is concerned, broad circles of the public are not yet aware of that.

Would You Agree To Transfer the Kuril Islands to Japan? (percentage of total number of those polled)

	November 1991	August 1992
Agree	14	13
Disagree	remainder	remainder

Why Should the Kuril Islands Be Transferred to Japan?
(percentage of those who agree to transfer the islands)

These are ancestral Japanese lands	33
In order to receive financial aid from Japan	21
In order to sign a peace treaty	17
Residents of the islands wish to live in Japan	13
Japan lacks living space	9
In keeping with international treaties	8

Why Should the Kuril Islands Not Be Transferred to Japan? (percentage of those who do not agree to transfer the islands)

Our fellow citizens live there	21
These are ancestral Russian lands	20
The prestige of Russia will suffer	18
Proceeding from the principle of the inviolability of borders	16
In keeping with international treaties	11
In view of our economic interests	10
Proceeding from our strategic interests	9

Prospects for Rescheduling Debt Payments

934A0197B Moscow NEZAVISIMAYA GAZETA
in Russian 31 Oct 92 p 1

[Article by Mikhail Lantsman under the rubric "Finances": "Trading in Fear: The West Promises Assistance and May Perhaps Extend Debt Payment Terms"]

[Text] Sharp exacerbation of the struggle between Boris Yeltsin and the opposition in parliament, the conduct of a Congress of the National Salvation Front [NSF], and the subsequent presidential edict on banning the NSF coincide time-wise with two foreign policy events important for Russia: the international conference in Tokyo for rendering assistance to the CIS countries and negotiations in Paris on extending the payment terms for Russia's foreign debt.

In his 28 October speech at the opening of the Tokyo conference, Japanese Prime Minister Kiichi Miyazawa expressed anxiety at the present situation in the former USSR, which might undermine efforts of the international community in support of reform. In an interview with the Japanese television and radio company NHK, Ernst Stern, managing director of the World Bank, stated with alarm that it would be exceedingly difficult for CIS leaders to secure universal support for the radical economic transformations which are so necessary for stabilization of the situation.

As a result of the alarm of the world community, conference participants approved a plan for providing assistance

to 12 republics of the former USSR for 1993. The European Community is providing \$642 million in the form of technical assistance, Japan—\$100 million for purchases of food and medicines, the United States—\$260 million for food and \$14 million for medical equipment.

Presenting greater significance for Russia, however, is the outcome of negotiations with creditors in Paris. The total amount of Russia's foreign debt is calculated at \$71 billion. This year Russia must repay about \$20 billion in interest and loan amounts due. But only 1 billion of this has been repaid. As Russian Economics Minister Andrey Nechayev stated at a press conference, Russia is capable of paying back not more than \$2 billion, taking into account the currency which is coming into the country. Up until now, the Paris club has preferred to keep the Russian debtors on a short leash, prolonging payment terms by three months. Russia is insisting on a more significant extension of payment terms.

It is entirely likely that under threat of xenophobic elements coming to power in Russia, the Paris club will not twist the arm of the present democratic leadership, but will resort to concessions in order to avoid definitely losing all hope for debt repayment.

Whereas on the domestic scene the red-white opposition is struggling to attain power, it is "playing the same game" as the president's team in the foreign policy sphere. Trading in fear has reaped great dividends ever since the days of Mikhail Gorbachev. However, this kind of trade has its disadvantages. Next year budget investments into the Russian economy will not exceed 1 trillion rubles, clearly not sufficient for the restructuring of industry. The government is counting on a flow of foreign capital of at least 1 trillion. But under conditions of publicized instability, significant private capital can hardly be expected to come running into the "Russian Klondike."

India Allocates \$30 Million Credit for Tea

934A0198B Moscow TRUD in Russian 5 Nov 92 p 3

[TRUD-ITAR-TASS report: "In Brief From All Around"]

[Text] The Government of India will afford Russia technical credit in the amount of \$30 million for the purchase of tea, according to a statement in Calcutta by Indian State Trade Minister P. Kurien. India will open a special "tea representation" in Moscow in the near future, with the aim of studying potential markets for the sale of tea in CIS countries.

Edict To Introduce Licensing of Trade

934A0198A Moscow NEZAVISIMAYA GAZETA
in Russian 31 Oct 92 p 1

[Article by Leonid Mikhaylov: "Trade"]

[Text] Half a year following the famous edict "On Freedom of Trade," Boris Yeltsin signed the edict "On Measures for Protecting the Rights of Consumers and on Averting Profiteering." Beginning 1 December 1992, according to the edict, trade in food and industrial goods subject to excise taxes will be permitted only after the issue

of licenses. The president assigned responsibility for issuing licenses to local organs of executive authority. Organs of the Ministry of Internal Affairs and State Trade Inspectorate will be jointly involved in curtailing the illegal activity of sellers.

Over the period of time the first Russian president has been in power the population has already become accustomed to his resolute measures.

"Freedom of Trade" turned the streets of Russian cities into a bazaar. Whether or not they will become deserted after 1 December is hard to say. We may presume with a great deal of confidence, however, that officials of the local organs of authority, State Trade Inspectorate, and police will acquire an additional "feeding trough" for replenishing the meager family budget. In addition, the listing of products subject to excise tax will no doubt be expanded next year since the state, having lowered the tax burden on industry, will require compensation.

Customs Official on Status of Antismuggling Campaign

934A0150A Moscow TRUD in Russian 28 Oct 92 p 4

[Interview with Mikhail Vanin, chief of the administration for fighting contraband of the State Committee for Customs Control of Russia, by Yuriy Krasnopolskiy; place and date not given: "If There Is Contraband in the Luggage"]

[Text] A year has passed since the organization of the customs service of Russia, and this is a considerable amount of time in our event-filled day and age. What has been done during the past year and what problems does the organization face? This is discussed by the chief of the administration for combating contraband of the State Committee for Customs Control of Russia, Mikhail Vanin.

[Vanin] I shall begin with the fact that we have already created the Law on the Customs Tariff and the new Customs Code, which are being discussed in the parliament and, let us hope, will go into force next year. There are 64 customs posts employing 1,500 workers on the borders with Ukraine, Azerbaijan, Georgia, and the Baltic states, and they have confiscated a large amount of illegal cargo just since 1 October. Thus in Tuapse they have confiscated 25 tonnes of bronze worth 5 million rubles [R] transported by seine fishing boat; in Sochi—Makarov pistols, grenades, and ammunition; the Pechora customs office—6.5 kg of marijuana; in Rostov—51 carloads of sheet steel, six carloads of aluminum slabs, 45 carloads of liquid sulfur, and 58 tankers of crude oil. At the Chernyakhov customs point they confiscated 3 kg of poppy straw. Two attempts to ship 35 icons out of Russia were blocked.

At just three customs points bordering on Baltic countries (Kingisepp, Pytalov, and Sebezh), 236 sets of documents on customs violations were filled out for a sum of R87,372,000. Since 1 October a total of about R0.5 billion in Russian currency has been confiscated. The Pskov customs office detained an aircraft carrying R300 million.

The basic list of illegal cargo includes: nonferrous metals, sheet steel, medications, red mercury, timber materials, petroleum, and narcotics.

The Customs Code describes in the greatest detail the stages of the customs process and all situations that can arise here. It envisions economic pressure on violators, whether they are private individuals or enterprises or firms. Everything is constructed in such a way that the revenues the state should receive do not bypass the treasury. People must pay for everything they are supposed to, and those who do not wish to will not only pay but pay dearly.

[Krasnopolskiy] How?

[Vanin] In a number of cases we will be able to deprive the violators of the possibility of engaging in foreign economic activity. We will have the right to issue licenses for various kinds of activity, and, if necessary, suspend, invalidate, or recall the licenses.

[Krasnopolskiy] Is that not too severe?

[Vanin] I think it is normal. This measure is used in all civilized countries, and extremely effectively. The code envisions even more drastic measures against customs officials who engage in arbitrary behavior or exceed their authority.

[Krasnopolskiy] In a recent article entitled "Venus for a chervonets" TRUD raised the question of how, with the "help" of certain foreign diplomats who have immunity, historical and cultural treasures slip across the border...

[Vanin] I would like to shift the focus in this delicate issue somewhat. Yes, there are certain cases of attempts to ship these treasures illegally. But one should not think that we are incapable of dealing with them. If we are to speak about Russian diplomats, since 1991 they have been just like all other diplomats in this respect and their luggage is subject to customs inspection just like the rest. In certain cases we are not allowed to subject foreign diplomats to this unpleasant but necessary procedure...

[Krasnopolskiy] And what about international norms?

[Vanin] We do not violate them. The Vienna Convention of 1961 specifies (Article 36) that the luggage of diplomatic agents is not exempt from customs inspection if there are serious grounds for suspecting that they contain contraband goods. And I must say that this year alone we have blocked more than 40 attempts on the part of workers of foreign embassies to carry contraband in their luggage. Let me emphasize that we are speaking about personal luggage and not the diplomatic pouch. It is immune.

[Krasnopolskiy] So there is something to smuggle out of this great country?

[Vanin] Here are the most sensational of recent cases. Yuzhno-Sakhalinsk. They blocked the attempt by a Japanese citizen to take an Antonio Stradivarius violin across the border. Or a hinged icon, two icons in silver frames, and two old silver clocks were discovered on the Moscow-Helsinki train. A citizen of South Korea departed on that

same day. Three icons were found in his luggage. To return to the question of diplomats, I can give examples of attempts (mainly by representatives of African countries) actually to ship treasures out of the country by the container. They were literally crammed full of consumer goods: refrigerators, bicycles, electrical equipment, and even construction materials worth many millions of rubles...

Taking hard currency out of the country illegally is an extremely crucial problem. And there are more than enough cases of this happening. For example, French citizen Andre Sokolov crossed the border in the Vyborg region. They found that he had concealed from customs inspection \$800 and other hard currency worth a total of R660,000. And this is a daily, I would say, everyday occurrence... This is perhaps the clearest example—the travels of our home-grown merchants with goods sold by the piece to Turkey and back. On almost every fourth trip we “take” from R2 to R5 million which, naturally, goes into state revenues.

[Krasnopol'skiy] And all that is only a part of what is transported...

[Vanin] Of course, no customs office in the world can block all illegal actions without exception. But there are customs offices that operate more efficiently and those that operate less efficiently. There is just one criterion here: How much revenue will the customs office give the state. In England, for example, customs produces more than 40 percent of the income into the state treasury. U.S. customs brings in immense amounts of income into its country. On its emblem, incidentally, is written: “Guardians of Independence.” Such is the importance attached to the customs service in civilized countries. It is another matter that in its present position Russia does not always have the opportunity to fully take our needs into account. We understand this. And we hope our day will come...

Aven Opposes Compulsory Sale of Foreign Currency Revenue

934A0150B Moscow NEZAVISIMAYA GAZETA
in Russian 17 Oct 92 p 2

[Article by Ivan Sasurskiy: “Petr Aven Against Introduction of Mandatory Sale of Foreign Currency Revenues. In Paris Russia Will Receive a Deferment on Debts Until the End of the Year, the Minister Thinks”]

[Text] It seems that the minister of foreign economic relations is no longer afraid of being out of favor. Or else he thinks that if we start selling all foreign currency earnings of exporters, the consequences will be much more catastrophic.

One way or the other, Petr Aven told an RIA [Russian Information Agency] correspondent, “he would not change the existing situation today.”

This is not the minister's first statement regarding one of the most important points of Boris Yeltsin's policy speech in the Supreme Soviet of the Russian Federation. To have 100-percent sale of exporters' foreign currency revenues seems like a “strategic goal” to Petr Aven. Before introducing total sale, in the minister's opinion, it is necessary to take a number of measures for strengthening the position of the ruble, even if it is with a reduced exchange rate, to introduce a system for effective monitoring of foreign currency, and “to take several institutional steps to develop the foreign currency market.”

Incidentally, Aven's main argument is that the “significance of this measure has been greatly exaggerated.” As Aven said, the need for this measure decreases under conditions whereby we intend to use a system of centralized export of raw material goods, particularly energy sources, which will provide for foreign currency revenues into the budget in a greater volume than that of their purchase on the domestic market.

Petr Aven has already told an RIA correspondent that Russia has prepared a basic plan for restructuring the USSR foreign debt on a long-term basis. But from the meeting of the Paris club of creditor-states the minister does not expect anything more than coordination of the draft agreement.

This time, however, everything hinges on the lack of coordination of the policies of the republics of the former USSR for paying the foreign debt. In particular, as the minister reported, Ukraine has not yet adopted a single one of Russia's proposals regarding this issue, and the Russian Federation “will agree to sign the agreement (with the Paris club—I.Z.) only when it is granted the right actually to control the assets and liabilities of the former USSR.”

In the minister's opinion, the negotiations in Paris will end by granting another deferment of payment of the debts until the end of 1992.

POLITICAL AFFAIRS

Deficiencies of Present Parliament Detailed

93UN0187A Kiev VECHERNIY KIYEV in Russian
20 Oct 92 p 2

[Article by V. Fedorchuk: "A Nonfortuitous Parliament With Fortuitous People"]

[Text] "Many played a role in history only because they happened to be there." (Talleyrand)

Beyond any doubt the current Supreme Council of Ukraine has already guaranteed itself a place in the memory of mankind. It fell to it to proclaim the independence of Ukraine and that alone would have been sufficient. But in addition to that it was specifically the current corps of deputies which was fated to also carry out basic legislative work connected with formation of a new state and a social and economic system.

The paradoxical nature of the situation, however, consists of the fact that responsibility for adoption of historical decisions fell to people who are often not prepared for it and in spite of their aspirations. The general political situation, of course, became the principal determining factor in the electoral struggle. Newly formed and poor, inadequately organized democratic parties, practically without their own means of disseminating information, were quite unable to resist the well-organized system of the communist party which had a developed network of its own newspapers and which in practice controlled all of the mass media including the press. The communists had at their disposal a very powerful propaganda machine which was opposed by scattered, weak, and amateurish efforts of the democrats.

The communist faction in parliament was formed to a great degree out of people having no experience in politics who had no concept of what they would be doing and viewed their election as another sinecure. Correspondingly, election was to a great degree incidental. Their behavior in the first days of work by the new Supreme Council was a vivid example. Some of them were genuinely puzzled, speaking in parliament, why it was that they were unable to complete all of the work in just three days.

To a great degree this criterion may be applied to the democrats as well. By that time new political structures in Ukraine were not so much in their early stages as merely in an embryonic state. The democrats had some organizational structures only in the large cities. The selection of personnel even in these structures left a lot to be desired. There was simply no time to separate people who really had the hallmarks of a statesman from common hacks. Sometimes those who shouted the loudest at meetings were noticed and supported. As a result of this quite a few individuals whose mental and educational level is completely unsuited for the post of a deputy ended up in the democratic faction as well, along with some really outstanding people.

In this manner composition of the current corps of deputies was decisively influenced by the transitory nature and

uncertainty of the situation: old structures and leaders became obsolete while new ones have not yet announced themselves.

Much has changed in Ukraine in the two-and-a-half years since elections to the Supreme Council. A completely different balance of political forces formed and public opinion underwent a change. The actual state of affairs proved to be legally and morally incongruous with regard to the new realities. The legal incongruity consists of the fact that in the spring of 1990 elections took place with Article 6 of the Constitution of Ukrainian SSR in force which consolidated the monopolistic and state position of the CPSU. Therefore the sole political party was opposed not by political parties but by individual citizens. Under the new conditions, when existence of a multiparty system is constitutionally secured, elections conducted using the old system, become legal nonsense. From the moral viewpoint former elections are beneath criticism. Their results cannot in any way be called honest and just, and it is certainly impossible to assert that they even to a certain degree represent that which they theoretically should be—a free expression of the will of the people.

All of these factors served to form the Supreme Council which we now have. Even superficial observation of its activity brings disappointment. The deputies work in a highly disorganized manner. Much time is lost. In most cases deputies come to the rostrum not to report something new and important concerning the matter under discussion, but in order to remind Ukraine of themselves with the aid of the television screen. Their speeches are very monotonous and most often are a repetition of opinions expressed prior to that. Having heard one speech, in most cases, it is possible to omit all the others.

The leadership of the Supreme Council is making no effort to direct the work of the deputies into some organized channel. It is difficult to say if this is caused by a lack of organizational abilities or a conscious policy. But one way or another in the chaos of session meetings when the emotional noise of individual deputies drowns out the weighted and intelligent speeches and declarations of political party factions, when it is practically impossible for individual factions to implement an organized policy—all this, taken together, permits the leadership of the Supreme Council, which is almost totally a loyal supporter of the president and the government, to push through parliament, almost without any resistance at all, every draft law it needs.

After establishment of the institution of the presidency which assumed the functions of executive power, the significance of the Supreme Council decreased substantially. Formerly the parliament was the center of political life in Ukraine. Presently it simply performs the function of rubber stamping the decisions of the government and the president. Individual emotional attempts by certain deputies and groups of deputies to play an independent role are countermanded by the absolute inflexibility of the government majority.

Such a situation is in part a consequence of the formation of strong presidential authority in Ukraine with extraordinarily broad mandates. But despite the fact that Ukraine selected this method of presidential rule, the only analogy to that being France, the arsenal of the Supreme Council of Ukraine contains sufficient means in order to play a role that is no less significant than that performed by the Congress of the United States. The Supreme Council controls the state budget, the appointment of the most important government officials, such as minister of defense, finance, justice, foreign affairs, and internal affairs, and has the right to revoke orders given by the president and express no confidence both in individual members of the government and in the entire government and even remove the president himself from his post. It cannot, however, utilize all of its rights and ensure for itself a truly independent role in the Ukrainian state specifically because of the highly unfortunate personnel composition of the corps of deputies which was inherited from the past.

The existing election law of Ukraine in accordance with which a deputy may engage in the creation of laws at will in his free time, as they say, as an amateur, is also an important aspect. First of all, at such a high level, amateurism is impermissible. Both the fate of Ukraine itself and the personal fate of each of its citizens depends on consequences of improper decisions by the highest legislative organ. More than enough examples of such irresponsibility have been provided in the two years by the parliament of Ukraine. The best illustration of that is the current state of society.

Another negative element is the ability the government has of influencing the decision of legislators by nonlegislative means. Inasmuch as the state sector in industry remains absolutely dominant, the deputies, who are in effect directors of plants, chairmen of kolkhozes, employees, and others—are positioned at certain levels in the hierarchy of executive power. That is, both the president and the prime minister are their bosses determining their promotion on the job, the size of their salary, and the distribution of other material benefits. Correspondingly, despite a formal precedence of legislative power over executive power such subordination actually creates a dependence of deputies on the government.

A third factor is the fact that deputies, deriving income from other types of activity, and not from their work as deputies, are materially not interested in seeking the sympathies of their voters, and correspondingly, protecting their interests. They simply do not need that. Such deputies treat their parliamentary work as something of secondary importance. The practice of developed democratic countries confirms our right to have the deputies do professional work. It is probably totally not by accident that free countries have arrived at the need for that type of work and Ukraine could borrow that experience.

There are also strictly technical inconveniences of a hybrid parliamentary system. By comparison with the Russian variant, where the congress of people's deputies elected the Supreme Council from among themselves, the Ukrainian version at first appeared more democratic and rational.

Practice, however, indicated the real advantages of the Russian version. Meeting for their congress the people's deputies elected the Supreme Council and then departed, without interfering with its work. Russia was left with a professional Supreme Council which began creating a new legislative system for the new Russia swiftly and effectively. Ukraine, however, got a semi-amateurish assembly working with great interruptions, because of the heavy work load on most of the deputies, and losing a great deal of time once in a while on the briefing of newly elected deputies arriving from the provinces. One cannot be surprised that under these circumstances the great majority of draft laws and practically all of the key ones are worked out outside the walls of the parliament—in the Cabinet of Ministers or at the president's office.

Along with the intellectual indigence of the current convocation of the Supreme Council we are also observing its moral deficiency. Of course there is nothing surprising in the fact that a person lives in a decent apartment, rides in a car, eats well, and enjoys the comforts of life. But when people are calling for sacrifice, patience, and stubborn work on the basis of highly idealistic reasoning, a natural question occurs an answer to which is not being heard—why, gentlemen, are you not applying these moral principles to yourself to begin with, but demanding sacrifice of others? This is no longer morality but hypocrisy. If one adds to this the fact that certain deputies, receiving government apartments and cars at special prices, for some reason change their views regarding certain questions and certain individuals, such a situation then appears ambiguous.

The current Supreme Council has proven its inability of standing at the head of Ukraine in a convincing and irrevocable manner. It failed to perform its functions in the protection of state interests and in the creation of a legislative base for an independent Ukrainian state. The fact that it sanctioned Fokin's clumsy reforms despite clear evidence from the very start that they lacked substance, is an inexcusable mark against its reputation. The Supreme Council shares responsibility for the economic failure of Ukraine, for the ruin of the population, and for the fact that in just a year Ukraine travelled a mind boggling path from being the wealthiest Soviet republic to the poorest of the CIS countries. Hopes that the deputies will mend their ways and, coming to their senses, start serving the interests of the state and the people in a sincere, selfless and a wise manner, to put it mildly, are naive.

The past is holding us back. At present the Supreme Council, which itself is a vestige of the past, has become an obstacle in the further development of Ukraine. If Ukraine truly desires to enter the house of Europe on equal terms then it must have a parliament which corresponds to European democratic traditions.

Roundtable Discusses Student Demands

93UN02094 Kiev GOLOS UKRAINY in Russian
21 Oct 92 pp 12-13

[Roundtable discussion sponsored by GOLOS UKRAINY editorial office, with the participation of Oleksiy Haran

dean of the department of social sciences of the Kiyev-Mohyla Academy; Oles Doniy, political scientist and historian; Vyacheslav Kyrylenko, chairman of the Ukrainian Student Union, student of the Kiev University; Yuriy Zubko, chairman of the Kiev Chapter of the Ukrainian Student Union, student of the Kiev Polytechnical Institute; Yevhen Holovakha, chief of the department of social psychology of the Institute of Sociology, Academy of Sciences of Ukraine; R. Mikheyenko, member of the Ukrainian Student Union, student of the Kiev University; Oleh Barkov, member of the Political Council of the Union of Ukrainian Students, graduate of the Dneprodzerzhinsk Industrial Institute; Markiy Ivanishchyn, member of the Political Council of the Union of Ukrainian Students, acting chairman of the Lvov Foundation Moloda Ukrayina; GOLOS UKRAINY represented by Editor in Chief Serhiy Pravdenko, commentator Svetlana Pysarenko, and special correspondent Yekateryna Kindras: "Romantics of Politicians?"]

[Text] At the height of passions concerning a "tent city" on Independence Square in the capital city, the editorial office of GOLOS UKRAINY invited representatives of "rebellious" young people for a "roundtable" discussion—representatives of the SUS [Union of Ukrainian Students], which this year was the originator of the protest action "We Demand Change"; representatives of the more moderate students—the Ukrainian Student Union, which was a coorganizer of the "student revolution of October 1990," but this year, did not join the SUS event, and historians, political scientists, and sociologists who also included Oles Doniy, the leader of the hunger strike of students in 1990. He has now discontinued both his participation in the student movement and active political involvement.

Our objective was to clarify the demands of the tent camp on Independence Square, and to try predicting the further course of political and economic processes. We strove for a frank discussion, an objective characterization of reality, and, as far as possible, predictions for the future, if those "at the top" heed the voice of revolutionary students, or, to the contrary, if they do not wish to heed it.

Here are the demands which were refined in the course of the discussion

"THE ADOPTION OF A NEW LAW ON ELECTIONS TO THE SUPREME SOVIET ON A MULTIPARTY BASIS"

"THE HOLDING OF NEW ELECTIONS TO THE PARLIAMENT ON 30 MARCH BECAUSE THE CURRENT SUPREME SOVIET IS INCAPABLE OF GRASPING THE MOOD OF SOCIETY"

"THE WITHDRAWAL OF UKRAINE FROM THE CIS REPUDIATION OF THE YALTA AND DAGOMYS ACCORDS MAY BECOME THE FIRST STEP ALONG THIS PATH"

"TO FORM A GOVERNMENT OF PEOPLE'S CONFIDENCE. THIS DEMAND ON ALL POLITICAL FORCES OF UKRAINE IS CURRENT."

On 12 October, SUS representatives stated the following in the form of an ultimatum at a meeting with Ukrainian President L. Kravchuk: "If the parliament does not adopt a decree scheduling elections for 30 March, the SUS will begin a hunger strike in a tent camp on Independence Square..."

And the SUS did just that.

Editor in chief of GOLOS UKRAINY Serhiy Pravdenko, commentator Svetlana Pysarenko, and special correspondent Yekateryna Kindras took part in the discussion on behalf of the editorial office.

Image Tarnished by a Repetition of What Has Been Done

[Pravdenko] First, let us try to find out what the position of young people, students, is at present. What do they strive for? By what methods do they want to reach their goals?

[Ivanishchyn] The Union of Ukrainian Students, which took its protest to Independence Square in the capital city, cannot answer for all students of Ukraine. We represent 5,000 students only.

Recently, members of our organization, as well as a majority of the citizens of our state, have been concerned about the aggravation of the political and economic crises as mutually interconnected phenomena. We consider the sluggish and unconstructive proceedings of the Supreme Soviet, an organ which is unaware of the attitudes of our society and is incapable of effectively implementing the reforms which have begun, to be one of the main reasons for this situation. The ultraleft political forces may take advantage of this situation and yet again restore the communist regime in Ukraine. We believe that only immediate elections to the Supreme Soviet on a multiparty basis will give democratic forces an opportunity to win and assume responsibility for what is happening in our state.

[Kyrylenko] At present, big-time politics is being made through the youth movement, which frequently "suffers" from student romanticism. This policy is dictated by certain circles. As chairman of the USS [Ukrainian Student Union], I believe that the SUS event is being controlled by the Congress of National Democratic Forces (KNDS). To be sure, there is nothing bad about it, but this aspect should be taken into account.

As I see it, we should finally move youth organizations from decrepit premises and basements, and ensure regular working conditions for them so that they will be able to solve their social, intellectual, and humanitarian problems. It is necessary to establish some kind of a national committee or a council of representatives of youth organizations in order to look for what unites rather than separates them.

[Kindras] The assertion that "certain political" forces are behind the SUS has been recently repeated categorically at various levels and before various audiences. Can representatives of the Union of Ukrainian Students refute or confirm such reasoning?

[Ivashchyshyn] A lot is now being said behind the screen of our action. For example, we did not authorize Stepan Khmara to promise that the students would lie down in the path of trolley buses, in order to stop traffic on 19 October, when he spoke to the employees of public transit in the city. In general, we did not authorize anyone to speak on behalf of the SUS. We are not controlled by anyone.

[Doniy] At present, the notion of students covers more than just young people studying at colleges. This is a generation with new thinking and a new mentality. It is another matter how this mentality will change. For example, I believe that political events should not be replicated. All the more so, young people do not have a right to emulate anyone, including themselves. They should propose something new, better, more progressive and intellectual than the older generation proposes. To my mind, this year's protest on Independence Square may tarnish the image of young people, created in October 1990, precisely because this is a repetition of what has already been done.

[Ivashchyshyn] Incidentally, they are now rebuking us, just as they did two years ago: "Go work!" and "What have you personally done to better the life of Ukraine?" I will give just one example for those who are of the opinion that strikes, demonstrations, and hunger strikes are our profession, for which we "get the money" from sources unknown. Two years ago, almost all youth organizations of the Lvov area established the Moloda Ukrayina Foundation, whose main task was to facilitate the democratic youth movement in Ukraine. Thanks to this fund, we set up a number of centers for scientific and technical creativity, computer information, business, publishing and legal activities, and so on. By now, the centers have a good record.

[Pysarenko] How is this year's protest action, organized by the SUS, different from the "October 1990 student revolution?"

[Doniy] At the time, we acted as a unified organization with its own ideology. I do not mean structural unity; at the time, our position was perceived as that of the young people of Ukraine. At present, the event smacks of assistance to the KNDS, one of the many political structures. Two years ago, the action of students on the square was new, something unprecedented and original, not only as a protest but as a tactical intellectual act.

Nonetheless, at the time, two years ago, the "adult" democratic and opposition movement could not rise to the level of student demands, could not grasp the need for repeat elections on a multiparty basis. They "grew up" to this in, for example, the Baltic states, sooner than in Ukraine. Moreover, the strategy of political and economic reforms has virtually not been refined by democratic political and economic reforms during this period of time. Therefore, we are stuck at the level of one-day, one-time political functions aimed at achieving specific political objectives. Of course, it is possible to hold a protest now in order to achieve the objective of multiparty elections. Even one more may be held. However, this is a far more

comprehensive issue; it is precisely the problem that at present, no one is capable of offering a specific conceptual program, even in the course of multiparty elections.

[Zubko] While agreeing with the main demand of the SUS—to carry out the decree of the Supreme Soviet on holding a referendum on "no confidence" in the Supreme Soviet, the USS does not support the forms and methods of the action. It resembles a spoof of the hunger strike held two years ago.

[Haran] I am not one of the kind of people who supports methods of struggle such as pressure, hunger strikes, and the like. I am not convinced that this action by students will produce results, anymore than the strike of public transit workers called on 19 October. However, it is necessary to do something. After all, students who sacrificed their health on the altar of the struggle for the freedom of Ukraine, in October 1990, were plainly cheated. Only one point of the demands set forth in the decision of the conciliation commission of the Supreme Soviet was fulfilled. To be sure, most thinking people in Ukraine understood even then that the demands of the students would not be fulfilled. The array of political forces made this clear.

[Pravdenko] Do you think that the state may hold nationwide events, such as elections to the Supreme Soviet, under pressure from 5,000 students?

[Ivashchyshyn] The Supreme Soviet will either accept or reject our demands. If it believes that our demands do not contribute to the good of Ukraine, why is it not taking any measures of its own?

To be sure, rumors are circulating that only the residents of Lvov are taking part in the event. At present, SUS members from Kiev and eastern oblasts of Ukraine account for almost 70 percent of those in the "tent city" on Independence Square. Representatives of the SUS had two discussions with Supreme Soviet Chairman Ivan Plyushch and his deputies Vasyl Durdynets and Vladimir Grinev. The discussions were very much alike, but not one of them negated the issue of repeat elections to the Supreme Soviet. We did not come to an agreement just with regard to the date for holding elections. For example, Ivan Stepanovych said October 1993 to January 1994, and we said 30 March 1993.

"There Are Such Parties! However, They Do Not Have a Mouthpiece"

[Pysarenko] In your opinion, how acceptable are elections to the Supreme Soviet on a multiparty basis at present? Will it not so happen that the democratic bloc of parties will once again be left in the minority because of their factiousness, quarrels, and weaknesses, and the Socialist Party, running in the elections as a monolith, will win most seats in the parliament, and demand a new government, constitution, and laws?

[Ivashchyshyn] The objective of each party is to come to power. We do not have fine-tuned electoral arrangements. Instead, we have a trite mentality. The more expensive the sausage, the more desirable socialism is.

[Pravdenko] However, there are 60,000 Socialists...

[Holovakha] I would like us to grasp clearly that at present, there is no serious threat of the Socialist Party coming to power.

This function is a function of young political leaders. Along with their older comrades, they have poor knowledge of the actual political situation in Ukraine. That we do not have parties is not the point. We do have them. The problem is that voters do not know whether these parties are capable of carrying out major realistic programs, because neither the currently operating power structure nor the opposition have yet offered major reform programs.

At present, the population of Ukraine is demanding private ownership of land, enterprises, and so on. I am not sure that the new Supreme Soviet will work on this: Politicians who do not have a clear-cut socioeconomic program will come to power yet again. This is why, it seems to me, at present the main issue is to give parties, about which an overwhelming majority knows nothing, an opportunity to develop firm positions and gain "their own" forum rather than to convene a new Supreme Soviet as soon as possible (for example, our research indicates that only 25 percent of the citizens of Ukraine are aware of the existence of the Ukrainian Republican Party). To this end, it is necessary to set a realistic date, perhaps, a year, a year and a half, 2 years.

[Haran] I agree in part: The danger exists of the new membership of the Supreme Soviet being more conservative than the current one. However, at any rate, these elections may show us the real picture of the array of political forces, which we lack at present.

I do not know whether these elections are going to be held specifically under the influence of the student action. I think that it may be an indirect influence. Since a campaign to collect signatures in favor of holding a referendum is now underway, the students may speed up this process. However, I would like to stress once again that the population of Ukraine is certainly politically apathetic at present. For this reason, I am not convinced that the action of the students will be successful.

[Mikheyenko] Who can answer this for me at present: Do we have a presidential republic? A parliamentary republic? Or some other republic? We should make a determination. It is necessary to elect a regular parliament, and develop a political system which does not exist in Ukraine at present. We do not have parties at present. For groups of people bound by common ideological convictions to become parties and be given financial support and a voice in the legislative organ, elections must be held.

[Zubko] The current membership of the Supreme Soviet has exhausted itself. To be sure, it adopted historic documents. However, at present the responsibility for the critical economic situation in our state devolves on the Supreme Soviet and its president. The issue of "no confidence" in President Fokin has been raised at parliamentary sessions many times. However, this has

been shelved continuously. Of course, it is hard to predict that our welfare will improve once a new membership of the Supreme Soviet is elected. However, there will be at least some hope. The thesis which is now popular among politicians, that the people will not turn out for an election, is erroneous. About 50 percent will turn out.

[Holovakha] About 60 percent will turn out. However, that they will turn out is not the point. The peculiarity of these elections is also in whom they will elect—primarily those who will be geared toward national, regional issues.

[Kindras] Do youth organizations intend to, and are they prepared to also fight for seats on the new Supreme Soviet?

[Ivashchyshyn] Undoubtedly. The parliament should become professional. A people's deputy cannot simultaneously be both a plant director and a member of parliament. He should be a deputy only, and he should earn his salary.

"Everything Is Restricted to Antitheses"

[Pravdenko] Do you think that many questions and problems would be taken care of if Rukh [Ukrainian People's Movement for Perestroika], New Ukraine, and other forces which advocate the dissolution of the Supreme Soviet said: We have cadres prepared to take the leadership seats in the Cabinet of Ministers, and capable of developing a program and working on it in the capacity of executive authorities?

[Ivashchyshyn] New Ukraine has such a program. This force proposes quite balanced ways for our society to overcome the crisis.

[Pravdenko] Not a single political force is calling things by name—someone has a program, someone will win...

[Ivashchyshyn] There also is a list of the likely members of the government. However, at present everything is resolved through politics—that of Leonid Kravchuk, on one hand, and Ivan Plyushch, on the other hand.

[Doniy] This has to do with the fact that at present the opposition cannot propose specific programs. It is unknown what it is going to implement even if it comes to power by way of elections on a multiparty basis. Here is an example involving the development of the constitution. Its draft was proposed only by L. Kravchuk and his constitutional commission. Democrats are unable to propose anything of their own, apart from small statements and reservations. As far as economic programs are concerned, I am not going to name names, but some well-known leaders of organizations and movements have stated that they will now engage in compiling them, and in November, the program of the building of the state in Ukraine will be released.

[Pravdenko] This is an objective process. They governed the state from Moscow, traveled the world, worked as ambassadors, staff correspondents of central newspapers, what have you, and had state status in the process. In our republic, even the Central Committee had the status of an oblast committee. Our ministers were in charge of five to six percent of the economy. They had cars, they had

dachas, they had everything—it is just that they were not to be in charge of anything or responsible for anything. A fine situation! It is in this community that we are now trying to find the people who would be responsible for the entire state and would be capable of proceeding to introduce reforms. A lot of time will pass before leaders of a new breed come along.

[Doniy] However, a strong new wave has already been generated in Russia. Compare Shakhrai with Lanovyy. Both are products of intellectual institutes. It is just that in Russia, there is contact between politicians and intellectuals. This is the least apparent in our country.

[Holovakha] I do not agree that the Supreme Soviet is incapable of making radical economic decisions. The Russian Supreme Soviet is quite as conservative, but it does make them after all.

[Pravdenko] They have a radical government, whereas we do not have one yet.

[Zubko] Although a shortage of cadres is for real, an opportunity, a chance has come about to form a transitional, reformist government which will operate until a new government is elected. This may get our economy moving if the government carries out a program of market reforms, of which the exercise of the citizens' right to property should be the backbone. The government will be able to accomplish something if it changes the structure of the economy and gets people with principled pro-market views involved in its operations. I believe that specialists for key ministries may be found in Ukraine.

[Pysarenko] Who do you see as leader of a government of people's confidence?

[Ivashchyshyn] Leonid Kuchma. He is supported by all political forces in the parliament.

[Pysarenko] What about you, do you like this candidacy?

[Ivashchyshyn] Personally, I do not. But I do not make any decisions personally.

[Doniy] Everything in our country is restricted to antitheses. For example, we object to an adjacent state, but we take no steps to build our own. For example, some chapters of the URP [Ukrainian Republican Party] insist on discontinuing Ostankino instead of improving our own Ukrainian TV and organizing a Russian-language channel. This is just one example. It is advantageous to democratic parties to make Moroz and the Socialist Party into a bugaboo in order to not get structured themselves, on their own. The easiest thing is to say: We have an enemy, and it should not be allowed to gain power, instead of proposing something sound themselves.

[Pravdenko] It appears that we are coming to the main point of our conversation.

[Haran] It is possible that President Kravchuk and the opposition will show their will. Only in this case may the development of any realistic programs be at issue.

Actually, the issue is whether our society has a political center which could assume responsibility for conducting such reforms.

[Pravdenko] Summing it up on a preliminary basis, I would like to say that the people look to the students with hope; they have hopes for the future. In your opinion, what are young people offering? Are they ready to produce economic and political cadres?

[Doniy] Most importantly, a class is now making its appearance in the forefront with, I would say, another way of thinking, different from that of its predecessors, a nonstereotypical way of thinking. This is very important because, in my opinion, democrats at present have the same way of thinking as the old nomenklatura. For example, if Ukrainization is to be administered, then it should only be done from the top and only in keeping with instructions. We know that in places in which democrats have come to power things are not necessarily working out. It is no picnic at all in democratic ministries, as well. Specialization and new thinking are the main points of a new style. If young people turn into well-trained specialists with integrity there will be cadres at all levels.

[Haran] What about their civic position?

[Doniy] We should finally clarify what "civic position" is supposed to mean. I put defending your home and motherland at one level. If, as you interpret it, civic position means singing Ukrainian songs, I do not share this view. If one learns a profession, gets accustomed to elementary norms of morality as early as in his family, and carries them on, this is a position all right.

Epilogue

Both at the "roundtable" and in the course of meetings with the leadership of Ukraine, SUS representatives stressed that they are demanding that the decree adopted by the Supreme Soviet, "On Considering the Demands of Students Holding a Hunger Strike in the City of Kiev Since 2 October 1990," finally be carried out. All of us remember that month of October, and that decree. It referred to holding a referendum on the issue of confidence in the Supreme Soviet and resolving the issue of holding new elections before the end of the year, depending on the results of the referendum.

This demand has not been met. A referendum has been held—in favor of the independence of Ukraine which the very parliament, confidence in which was at issue, proclaimed on 24 August 1991. It could be considered that the Supreme Soviet acquitted itself in this manner. However, the euphoria of victory and independence lulled our Supreme Soviet too early. For some reason, the entire Supreme Soviet came to believe that the objective has been achieved. Indeed, independence is a great accomplishment for which, unfortunately, many people were not ready. What is to be done next in the economy? This is when struggling in a quagmire of problems began. Several unsuccessful steps led to chaos. It was becoming increasingly difficult to keep the situation in check. The prime minister, who had taken over from his predecessor to the joy of us all, began to no

longer suit us. Despite making a colossal effort to lay the legal groundwork for statehood, the parliament procrastinated in adopting radical, market-oriented laws. Dissatisfaction mounted. Now that the Fokin government has resigned, the students raised the issue point blank: an early parliamentary election. However, we will take the liberty of recalling that, in an interview given to our correspondent on the eve of the second anniversary of the work of the parliament, its chairman Ivan Plyushch expressed doubts that the Supreme Soviet will see the third anniversary with the same membership. That is, the view that the parliament has exhausted its potential was in the air as early as May of this year. Therefore, students cannot lay claim to originality in this regard in October. However, at the same time, in May, Ivan Plyushch was convinced that it was precisely the current corps of deputies that should complete state transformations. What did he mean? Adopting a package of economic laws owing to which reforms would have gone ahead full steam, reforming the judicial and legal system, adopting a new constitution of Ukraine and election laws. It is illogical to suspend the legislative effort at mid-point; the state, which is just getting on its feet as a state, would otherwise be left as a wood chip in the roaring sea of events around and within it. It is necessary to put the state on course... Later, it is possible to transfer legislative control.

But no, they demand elections instead of demanding reformist laws. We are convinced that the dispute is over a difference of several months. Is it worth a hunger strike in the cold, in tents pitched on the square?

Other demands made in October 1990—the nationalization of the CPSU and VLKSM [All-Union Leninist Communist Youth League], refraining from the signing of the Union Treaty, the resignation of V. Masol, and ensuring compulsory military service in the territory of Ukraine—were resolved, in the greater scheme of things, on the same day, 24 August 1991.

So, do the esteemed students, or more precisely, the esteemed SUS, think that you are forcing an open door? The 1992 Ukraine is no longer like that of 1990.

There is a taste of bitterness because there no longer are two subjects involved in the struggle for power—the Communist Party nomenklatura and the democrats. Unfortunately, barricades have been erected within the camp of democrats themselves, in which a good number of opposition groups have appeared. As is frequently the case, where two people fight... the third one wins.

[Begin box]

Distribution of the Votes of the Electorate in the Case of Holding Elections to the Supreme Soviet of Ukraine on a Multiparty Basis (percentage of those polled)

Party	January 1991 (1,739 people polled)	November 1991 (1,752 people polled)	April 1992 (1,800 people polled)
Communist Party of Ukraine	27	4	-
Socialist Party of Ukraine	-	-	2.2
Democratic Party of Ukraine	6	9	4.3
Green Party of Ukraine	5	7	5.4
Party of Democratic Renewal of Ukraine	3	4	2.6
People's Party of Ukraine	3	3	0.8
Ukrainian Republican Party	2	4	7.7
Ukrainian Christian-Democratic Party	1	1	1.1
Ukrainian Peasant-Democratic Party	1	2	1.2
Did not respond, hard to say, still undecided	49	60	38.6
Would scratch all of them	-	-	18.7

*Sociological research was carried out by a group of scientists from the Institute of Sociology, Academy of Sciences of Ukraine

The Kievans and the "Student Revolution"

A sociological review, in which 401 respondents participated, shows that only 28 percent believe that the protest action is an effective means of putting pressure on the policy of the government. Some 37 percent are convinced that the methods of struggle by students are fruitless as far as solving the current problems of modern Ukraine is

concerned. One Kievan in five believes that this protest action is harmful to the interests of the population of the state as a whole.

However, 55 percent of the respondents support the demand to dissolve the Supreme Soviet of Ukraine and to hold early elections on a multiparty basis in March 1993. One-third of those polled, 31 percent, do not agree with this demand, and 14 percent do not have a position.

Forty-three percent come out against the immediate withdrawal of Ukraine from the CIS, 38 percent are in favor of the withdrawal, and 19 percent do not have a position.

Seventy-one percent of the Kievans are categorically against the student hunger strike; 18 percent approve of this form of protest.

In the opinion of Kievans, the political action is advantageous to: Rukh—50 percent, New Ukraine and the Ukrainian National Assembly—17 percent, and separatist groups—24 percent.

[end box]

ECONOMIC AFFAIRS

1992 Nine-Month Economic Statistics Report

93UN0230A Kiev URYADOVYY KURYER in Ukrainian
16 Oct 92 p 9

[Report by the Ukrainian Cabinet of Ministers Economic Department: "The Economy of Ukraine in the Nine Months of 1992"]

[Text] The sharp growth of prices, the deterioration of the financial standing of enterprises, the disruption of interstate and interregional ties, processes associated with the conversion of military production, and a shortage of foreign exchange funds have influenced the economy of Ukraine unfavorably in the current year.

At the same time, in recent months the rate of decline of macroeconomic indicators was somewhat reduced successfully.

According to preliminary calculations of the Ministry of the Economy, the gross social product dropped by 11 percent in the nine months of this year compared to the corresponding period of last year, whereas in the first half of the year, it was 14.5 percent, and in the first eight months—11.5 percent. The national income declined by 11.5 percent, 15 percent, and 12 percent in corresponding periods.

In January of this year, the volume of industrial production fell by 19.7 percent, compared to January of last year, whereas in the first quarter this decline came to 15.3 percent, in the first half of the year to 12.3 percent, in the first eight months to 10 percent, and in the first nine months to 9.8 percent.

A trend toward the growth of output in terms of physical units has emerged with regard to certain key types of industrial products. Thus, for example, compared to January of this year, the average daily output of finished rolled goods increased in September by 3.9 percent, of steel pipes—by 40.2 percent, of mineral fertilizer—by 11 percent, of tires—by 35.2 percent, of excavators—by 20.7 percent, of motor vehicles—by a factor of 1.9, of radio receiver sets—by a factor of almost 1.5, and of washing machines—by a factor of two.

The output of **consumer goods** in the nine months of this year fell by 12 percent compared to the corresponding period of last year. More than one-half of the total number of enterprises in Ukraine which manufacture such goods reduced the rate of production.

The production of **foodstuffs** declined by 17.5 percent, including that of meat by 24 percent, fatty cheeses by 31

percent, whole-milk products by 28 percent, canned meat and dairy products by 16 and 29 percent, respectively, and vegetable oil by 16 percent.

In view of the unavailability of raw materials and other material and technical resources, the production of almost all types of key foodstuffs is expected to be below the level of last year. Particularly considerable declines are expected in the output of meat and dairy products (by 20 to 30 percent).

The output of **nonfood goods** dropped by 8.1 percent. The decline of production of sophisticated consumer appliances, in particular refrigerators, electric vacuum cleaners, electric juicers, electric kettles, electric irons, electric meat grinders, radio receiver sets, tape recorder-radio sets and tape recorder decks, cameras, motorcycles, scooters, mopeds, and bicycles could not be successfully overcome.

Certain favorable changes have emerged in the production of flax and woolen fabrics, hosiery, knitted goods, and garments. However, the production of footwear dropped by 19.6 million pairs, or one-quarter. On the whole, enterprises of the sector reduced the output of **light industry products** by 5.8 billion rubles [R], or 3.6 percent, compared to January through September 1991.

The volume of **retail trade sales** in the state and cooperative trade sector in the first nine months of this year came to R624.8 billion. Compared to January through September 1991, this was 7.3 times more, and in comparable prices, 23.2 percent less. The growth of prices was responsible for 90 percent of the overall growth of sales.

The establishment of **market structures** has proceeded slowly in the environment of a difficult economic situation in Ukraine.

At present, 35,000 small enterprises, more than 400 joint enterprises, 18,200 cooperatives, 11,600 owner-operated farms, 140 banks, 4,000 brokerage offices, and 70 commodity exchanges operate in Ukraine. According to projected calculations, by the end of this year the above structures will have more than 1 million employees. However, most small and joint enterprises are concentrated in industrialized localities and oblast centers rather than in remote regions where enterprises of regional and local significance, in particular, the system of the agro-industrial complex, do not adequately participate in the creation of such structures.

Analysis of the operation of the new market entities shows that they have had little influence on increasing the output of products and the expansion of the assortment of goods. The issues of demonopolizing production and creating conditions necessary for the privatization of the assets of state enterprises have been resolved slowly. The state has not created an effective arrangement for the support, development, and protection of enterprises.

The critical condition of the economy has affected the development of **foreign economic relations** unfavorably. The volume of deliveries for export dropped by 19 percent. Raw materials, other materials, and consumer goods account for almost 90 percent of the total volume of exports. A decline in the volume of exports is attributable mainly to the growth of the percentage of barter transactions (from 13 percent at the beginning of the year to 62 percent at the beginning of September), which on the whole do not promote the receipt of foreign exchange by Ukraine, the reduction in the export of electricity and products of machine building, their poor competitiveness in the world market, the decline in the exports of foodstuffs, and so on.

As of the beginning of September, 160,800 citizens in need of job placement assistance were registered by the **employment services**.

The number of **registered unemployed** in August of this year came to 14,400, and as of 1 September, exceeded 56,200.

In the last 1.5 years, the number of **employees of the staff of government organs** increased by 12.2 percent, and in the first half of 1992, amounted to 322,000, of which the number of the staff of state government organs increased by 24.3 percent and 239,000, respectively.

However, we should note a trend toward the reduction of outlays on the maintenance of the staff employees of government organs. Thus, in 1990 the labor remuneration fund of these employees accounted for 1.9 percent of the total labor remuneration fund in the national economy, whereas in 1991, for 1.7 percent, and in the first half of 1992, 1.4 percent.

On Inflationary Processes and the Standard of Living of the Populace

In January 1992, **wholesale prices** in industry were 14 times higher than in the corresponding month of last year; in June, they were 25 times higher, and in September—26 times higher. Prices for products of the fuel and energy complex increased at the highest rates in conjunction with the growth of prices for energy forms delivered from Russia, as well as the growth of the cost of domestic coal: those in power generation by a factor of 40, and those in oil refining and coal mining by a factor of 95.

The steep growth of **prices for foodstuffs** continues. In February through May, the average monthly rate of increases in prices for these goods in the state and cooperative trade sector came to 4.1 percent, whereas in June through August—31.4 percent. In August, prices for foodstuffs increased by a factor of 2.3 compared to January; most of the growth has occurred in the last three months, and has been associated mainly with the cancellation of the regulation of key foodstuffs prices.

The index of consumer prices for a fixed set of goods and services, which are included in a minimal consumer

budget, amounted to 167.2 percent in August 1992 compared to the May level of prices, including 170.4 percent for food products, 130.2 percent for nonfood goods, and 223.1 percent for services.

The price-setting situation in September was not unambiguous. The index of prices for key foodstuffs in the state trade sector and in consumer cooperatives (calculated on the basis of a fixed set of 22 vital foodstuffs) amounted to 116.6 percent, compared to August; that is, prices grew by an average of 4.2 percent per week in September.

Prices at collective farm markets stabilized somewhat. Prices for meat were the highest in Kiev, Lvov, Odessa, and Donetsk; for eggs, in Uzhgorod, Lvov, and Ternopol; and for vegetable products, in Uzhgorod.

In August, **monetary income of the population** decreased by 2.4 percent compared to July, whereas **spending** increased by a factor of 1.2. The decline in income was caused by the revision of wages and retirement benefits (in conjunction with an increase in their minimal levels effective 1 May), the payment of which was effected in July of this year. The receipt of additional funds after these revisions made it possible for citizens to increase their spending for purchasing goods and paying for services. As a result of this, R32 billion, which the population had "on hand," were drawn into monetary circulation.

The **inflation rate** in Ukraine, which is calculated by the Ministry of Statistics by using the index of consumer prices for a fixed set of goods and services in the minimal consumer budget, amounted to 1,014 percent in the eight months of this year. The average wage increased by as little as a factor of four, the minimal wage by a factor of 2.25, and the minimal retirement benefits by a factor of 1.8. (Last year, prices increased by a factor of 1.8 on the average, whereas wages by a factor of more than two).

Inflationary processes are an unfavorable influence on the living standard of the population. According to data from a selective survey of **16,400 family budgets** of workers, clerical personnel, and kolkhoz members, in the first half of this year, families purchased, compared to the same period of last year: 69 percent less rice, 40 percent less beef, 30 percent fewer fish and fish products, 27 percent fewer fruits and berries, between 16 and 23 percent fewer vegetables, melons, pork, cheese and goat cheese, and butter, and between 3 and 14 percent less sour cream, potatoes, bread products, and candy.

The **structure of food consumption** by families changes in line with the reduction in the purchasing of products: The consumption of high-calorie protein products, fruits, and berries declines, and the proportion of carbohydrate products increases. Carbohydrates account for 55 percent of the food consumption by families.

The total calorie content of the foodstuffs consumed dropped by two percent. Their protein content is 15 percent below the rational norm, of which in products of animal origin—24 percent below the norm.

The proportion of products acquired by the population at **collective farm markets** is growing in conjunction with a

decreasing difference in prices between the state and nonstate trade sectors. Thus, for example, the percentage of lard acquired at collective farm markets comes to about 80 percent in the families of workers and clerical personnel, pork—two-thirds, fresh fruits and berries—one-half, potatoes and honey—close to one-third, and vegetables and melons—one-fifth of the total volume of consumption of these products.

Compared to the first half of last year, the **percentage of foodstuffs which is produced on personal auxiliary plots** of workers and clerical employees increased: from 10 to 18 percent of fruits and berries, from nine to 11 percent of meat and meat products, from seven to nine percent of milk and dairy products, and from 19 to 22 percent of eggs.

The half-empty store shelves and the continuous growth of prices cause the desire of the population to **hoard stocks of foodstuffs**. Thus, as of the beginning of July 1992, families had 17 percent more wheat flour than one year ago, 12 percent more cereals, 41 percent more macaroni products, 38 percent more canned meat, 33 percent more canned fish, 1.8 times more canned dairy products, 1.5 times more vegetable oil, and 2.5 times more margarine and other fats.

A shortage of nonfood goods in the state trade sector, as well as the excessively high prices in commercial trade, have brought about **the percentage of expenditures by the population for their acquisition from private individuals** increasing from 17 percent in the first half of last year to 22 percent in the first six months of the year. The outlay of families for the purchase of footwear, ready-made garments, underwear, headgear, knitted goods, furniture and household items, goods for cultural uses, and construction materials increased in particular. One ruble out of every three spent for garments and footwear ends up in the pockets of speculator-dealers. According to calculations by the Ministry of Statistics, the population of Ukraine in the first half of this year spent a total of R38 billion to purchase nonfood goods at speculative prices.

The volume of sales of **paid services to the population** in the first nine months of this year, compared to the corresponding period of last year, increased by a factor of 5.7, solely because of higher prices for raw and other materials and fees for services. Actually, it declined by 25 percent (in comparable prices). The composite index of prices for paid services during this period came to 7.6 times, of which, for consumer services—10 times. For example, in the city of Kiev alone, prices for tailoring apparel increased by a factor of 35, for footwear repairs by a factor of 65, for the repairs of radio and television equipment by a factor of 50, for laundry services by a factor of 65, and for barber and hairdresser services by a factor of 40. This caused an abrupt drop in orders, especially custom orders, and the reduced provision of various small services.

The poor quality of services provided by state enterprises of household services and high prices charged by them are forcing the population to seek household services from private individuals. Outlays on payments for household services provided by private individuals accounted for 28 percent of such outlays, and for 56 percent in families

which reside in rural areas. The most common services are repairs and construction of buildings—62 and 87 percent, respectively, and for tailoring and mending garments and footwear—16 and 28 percent.

According to calculations, the population paid to private persons, for household services provided, R1.7 billion in the first half of this year alone (in the first half of 1991—R355 million), of which, for the construction and repair of buildings—R911 million (R192 million), and for tailoring and mending garments and footwear—R205 million (R35 million).

Implementation of Budgets and Status of Monetary Circulation

The liberalization of prices and the general economic crisis worsened the **financial status of enterprises and organizations**. The total of payments past due in the national economy increased by a factor of 110.2 in the eight months of this year, and came to R352.6 billion as of 1 September of this year. Of this, mutual indebtedness on the accounts of enterprises and organizations came to R345.8 billion, or 98.1 percent.

The revenues of **budgets in Ukraine** in the first nine months of this year came to R580 billion, and expenditures—to R835 billion. The amount by which expenditures exceeded revenues came to R255 billion.

The revenues of the state budget came to R321 billion, and expenditures to R449 billion. In addition, short-term loans in the amount of R174 billion were extended by the State Budget in January through September of this year to the local budgets of the Republic of Crimea and oblasts, in order to provide financing for priority outlays; R22 billion were transferred by way of mutual settlements, primarily to pay subsidies for certain types of bread and baked goods. With the inclusion of the above, the total amount of expenditures of the State Budget came to R645 billion, and exceeded revenues by R324 billion.

The **emission of currency** in the nine months of this year came to R241 billion, of which, R106.2 billion was between July and September. Between January and September 1991, R5.3 billion were circulated. Consequently, emission increased by a factor of almost 45 this year.

The issuance of currency from the cash stocks of banks in the nine months came to R852.4 billion. Compared to the corresponding period of last year, issuance increased by a factor of 9.4, of which, for the payment of wages—by a factor of 10.4. Issuance from the cash stocks of banks increased, in particular, in July through September—by a factor of 12.3, of which, by a factor of 12.7 for the payment of wages.

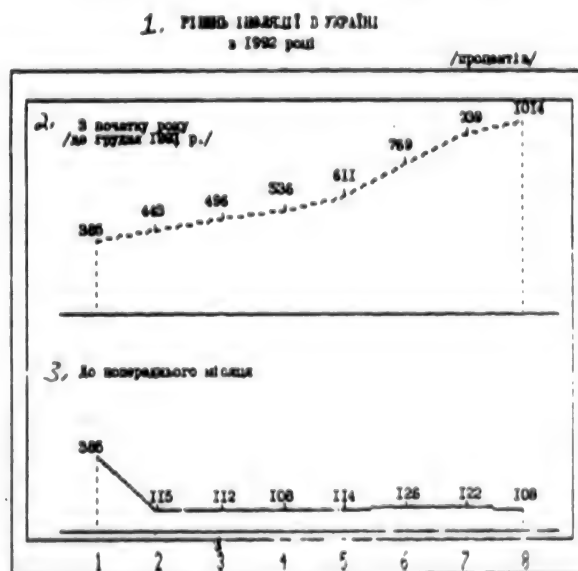
At the same time, spending by the population to acquire goods, pay for services, etc. increased by a factor of 7.2, of which, spending to purchase goods—by a factor of eight.

A part of the monetary income of the population which was not disbursed through the sale of merchandise and services was deposited in accounts at the establishments of the Savings Bank. In the first nine months of this year

monetary income of the population amounting to R65.5 billion was deposited in accounts (of which R28.1 billion between July and September, or R50.2 billion more than in the corresponding period of 1991). As of 1 October 1992, the **balances in the accounts of the population** amounted to R181.5 billion.

Prepared for information purposes on the basis of materials from the Ministry of the Economy, the Ministry of Statistics, the Ministry of Finance, and the National Bank of Ukraine.

[Signed] Economic Department of the Cabinet of Ministers of Ukraine.



4. ПРИМІТКА. За розрахунками Мінстату України

Key

1. Rate of Inflation in Ukraine in 1992 (percent)
2. Since the beginning of the year (compared to December 1991)
3. Compared to the previous month
4. Note. Based on calculations by the Ministry of Statistics of Ukraine.

KAZAKHSTAN

Republic Savings Bank Seeks New Approaches to Problems

93US0094A Moscow DENG I KREDIT in Russian
No 8, Aug 92 pp 53-55

[Article by D. Kudaybergenov, board chairman, Savings Bank of Kazakhstan: "The Savings Bank of the Republic of Kazakhstan: New Approaches and Problems"]

[Text] The Savings Bank [Sberbank] of the Republic of Kazakhstan occupies a leading position in the republic's banking system. It has 4,270 branches, affiliates and agencies; that is, there are banking institutions in nearly every populated place. They employ over 14,000 people and provide services to 11 million depositors and over 200,000 personal and military pensioners, while completing up to 900,000 client transactions every day. Sberbank has opened 31,600 accounts to social organizations and 44,600 accounts to borrowers; 1.2 million workers receive their wages through us. The account balances of the populace in Sberbank institutions reached R25.8 billion by 1 January 1992, of which R6.2 billion consisted of compensation [kompensatsiya] calculated from 1 March 1991.

The nearly 70 years of subordination of the republic Sberbank to the Center did not create the necessary conditions for the development of the production and technological base of these institutions. Many of the branches, not to mention the affiliates, are situated in crowded, dilapidated, unsuitable facilities. Office equipment for the republic Sberbank was provided in accordance with the residual principle, and most of the operations were carried out by hand.

In connection with the Republic of Kazakhstan acquiring sovereignty and complete independence, and the transfer of the republic Sberbank to republic ownership in 1992, the latter was offered greater independence in the organization of savings matters—including introduction on a broad scale of banking operations advantageous to both the state and the public, as well as progressive forms of cash and accounting services to citizens and organizations.

Since receiving independence, the republic Sberbank and its board have taken measures to conduct an in-depth and comprehensive study of popular demand for banking services, have found new forms and methods for serving the public in the presence of competition with other banks—and are achieving certain positive results.

During 1991 Sberbank was able to attract deposits from the public in the amount of R5.5 billion, less compensatory sums, which is 1.7-fold greater than for 1989-90 together; whereas, all of the newly-organized commercial banks attracted only R277.5 million in all for the year.

Such growth of account balances in Sberbank institutions, in comparison with the other commercial banks, says that the public prefers its old and reliable partner, where the state guarantees the safety of their deposits.

At the same time we understand that an intensive process is under way to organize new commercial banks. The

mission of these banks is also to attract funds from the public; moreover, they are paying higher returns on the deposits. Competition among banks to attract deposits and new depositors is increasing; therefore, working collectives are paying greater attention to advertisements for banking services, their operating conditions, standards of service to clients, and so on.

In order to increase the citizens' interest in putting their savings into Sberbank institutions, beginning 1 March 1992 the interest rate for all kinds of deposits was increased 1.5 to 1.7-fold on the average, depending on the kind of deposit. Moreover, term deposits [srochnyy vklad] have been reinstated, which pay 7.0 percent annual interest, with one-time payment for deposits of not less than R500.

The average balance for premium [vyygrishnyy] deposits has been increased from R1,000 to R5,000.

The amount of monthly payment on youth premium deposits has been determined in the amounts of 50, 100, 150, 200 and 250 rubles.

In consideration of the national peculiarities and traditions of the peoples in the republic, the increase in prices for goods and services, as well as requests from the citizens, we have decided to pay out moneys not to exceed R3,000 from accounts for which no instructions for requests have been made, to the relatives of a deceased depositor, or to authorized persons, according to the decision of local authorities where evidence of the right to inheritance is lacking.

Recently the lack of ready cash could not help but reflect on the activity of Sberbank institutions, and we have received criticism and reproach from our clients. In an attempt to somewhat alleviate the severity of the situation that has come to pass in connection with the shortage of ready cash, Sberbank institutions have begun to devote more attention to encouraging cashless operations by virtue of expanding services on issuing one-time checks and checkbooks.

As a result the total volume of cashless transactions for goods and services for 1991 reached R1.078 million, which is 192.8 percent greater than for the preceding year. The volume of such operations would have been significantly greater if workers in trade and other service spheres had not, under various pretexts, set up obstacles to acceptance of checks from the public, which created an artificial increase in the money supply in circulation.

The current year, according to predictions, does not hold promise of any improvement in the money supply. Under the conditions which have come to pass, the hope remains that cashless transactions will develop in accordance with the Edict of the President of 13 February 1992, "On Emergency Measures for Supplying the National Economy of the Republic with Ready Cash," and the Decree of the Republic Cabinet of Ministers of 24 February 1992 for implementing the given Edict.

These documents stipulate that goods costing R3,000 and over, and services rendered to the populace for like

amounts, must necessarily be sold and rendered only by check from any commercial bank, including Sberbank. Moreover, the governmental decree stipulates, that persons paying cash for goods and services in excess of R3,000 will be subject to sanctions if found guilty. This provides grounds for the hope that cashless transactions will increase.

In addition, these documents stipulate that enterprises, organizations and institutions, regardless of the form of ownership, must make monthly deposits of 30 percent of wages subject to payment in cash, if the sum exceeds R2,000, less the amount of mandatory and voluntary deposits.

Thus, in carrying out the President's edict, operations involving cashless transactions will increase significantly at Sberbank institutions, since the majority of cashless account transactions for deposit and payment of checks will be accomplished in Sberbank institutions; and with the goal of improving services to our clients, we have thoroughly examined all organizational questions falling under the jurisdiction of Sberbank to carry out the given edict. New rules have been drawn up for acquiring checkbooks on the territory of the Republic of Kazakhstan, and additional checks and checkbooks have been ordered.

A serious problem which hinders normal work on serving the populace not only on the territory of the Republic of Kazakhstan, but also in any other republic where the ruble is in circulation, is the refusal of Sberbank institutions to accept for payment checks, certificates and other valuable papers received from beyond the bounds of the given republic. Such restrictions do not solve the ready cash problem, and significantly hamper both the money turnover and services to the populace. A depositor who travels beyond the borders of the republic is forced to withdraw a large sum from his personal account, if of course it is available in cash at Sberbank institutions, which under present conditions is not guaranteed.

Thereby, Sberbank institutions not only are not promoting normalization of the supply of cash money but are, on the contrary, aggravating the cash situation. What is most important is that they are discrediting the system, since all institutions of the bank have been calling upon the public for a long time to make use of certificates, checks, checkbooks and so on. Therefore, taking advantage of the opportunity presented, I wish to appeal to my colleagues from the Independent States of the former USSR to carry out unified measures for normalizing the money supply; that is, to support unhindered circulation of securities, letters of credit, checks and certificates.

Coordinated cooperation of the Sberbanks of the Independent States would significantly promote normalization of the money supply, and would create the prerequisites for further development of savings matters. Therefore, the task consists of further strengthening and continually improving on the cooperation that previously came to pass and to find new forms of cooperation.

Beginning in 1988, all operations for granting loans to the populace were transferred to the republic Savings Bank. In

keeping with the wishes of the workers, we have worked out and introduced new kinds of credit, approved by the government, for various consumer needs, of which there are over 20 at the present time.

Prior to 1991, granting credit to the public was held back by the former Union Gosbank, which had imposed ceilings on the republics—moreover with a great deal of delay, thereby artificially hindering the development of individual housing construction and gardening.

Since 1991, every branch of Sberbank has begun to issue loans to the public without any ceilings, but within the amount of funds on deposit; when these are insufficient the oblast administration can, if necessary, resolve the question by virtue of the total increase in deposits in the oblast. As a result the amount of loans issued to the public increased significantly, and credit debt reached over R760 million by 1 January 1992, as opposed to R85.5 million at the time that these operations were transferred to Sberbank.

Of the total amount of loans issued for all consumer needs, 82 percent were directed toward solving housing measures, and the remainder, for improving dacha plots and other purposes.

It must be noted that development of individual housing construction in the republic is getting special attention. During the past two years, two laws and a presidential edict were adopted on this question, as well as two governmental decrees.

These documents stipulate that loans for individual housing construction shall be issued at preferential rates, and that bank losses connected with these operations shall be repaid at the expense of the republic budget.

All of these measures have promoted activation of individual housing construction and have significantly raised the proportion of housing construction in the overall volume of construction, which by 1 January 1992 had reached 18.1 percent, as opposed to 7.0 percent in 1987; at the same time, of all individual housing built in 1991 by means of loans from Sberbank, 48.8 percent was put into use.

Negative phenomena are also encountered in granting loans to the populace, and certain borrowers for various reasons fail to pay off their loans on time; as a result, indebtedness occurs for which penalties must be exacted, in a number of cases via the notarial or judicial authorities.

The volume of work in Sberbank institutions is increasing. Thus, in addition to the deposit and credit operations described above, operations are carried out with valuable papers; there has also been an increase in cashless transfers for deposit of wages and other income, which last year reached R10.7 billion, surpassing the 1985 level by a factor of 4.2.

Since July 1991, Sberbank institutions have been paying unemployment benefits, and in 1992 will open special personal accounts for housing coupons held by the public

after privatization—for which from now on special check-books will be issued, the checks from which may be utilized in the future for further privatization. All these operations are carried out on a contract basis in exchange for payment.

Independence in production activity was immediately reflected in the financial results, since the assets attracted were distributed by Sberbank itself under advantageous conditions for payment in the National State Bank and other commercial structures.

On the whole R465.6 million in profits were received for the year, which is R360 million more than for 1988-1990 taken together. This permitted increasing somewhat the material-production facilities, introducing scientific-technical progress and solving a number of social problems.

In order to improve services to the public and to reduce lines at Sberbank institutions, we have devoted serious attention to automation of banking operations.

In 1991 over 700 units of various kinds of computers were acquired, not counting calculators, which permitted setting up an automated document processing system [avtomatizirovannaya sistema obrabotki-ASO] at three Sberbank institutions in Alma-Ata, and introducing automated checker workstations [avtomatizirovannoe rabocheye mesto-ARM] at 77 affiliates in oblast centers (ARM "Amanat-1"), using personal computers of the IBM-PC and "Iskra-1031" type, which significantly speeds up services to clients.

Work in this direction will continue. For this purpose, the Amanat-Inform Association has been established jointly with other republics of Central Asia. Amanat-Inform is engaged, in spite of difficulties, in drafting programs, acquiring computers and introducing them at Sberbank institutions of these republics. The association and the Board of Sberbank in the republics are training personnel to work with the computers both by means of organizing short-term courses in Alma-Ata and by individual training at their workplaces.

Of course, quite a few difficulties are being encountered in the work on automating banking operations; these problems are gradually being solved together with the association.

In spite of great complexities in furnishing building materials and other equipment, in 1991 several production facilities were put into operation under Sberbank departments and another 26 new buildings are being built.

While solving questions of social development, we are devoting a great deal of attention to supplying housing to our workers by means of individual participation in construction with the executive committees of local Soviets, and by means of granting loans for construction of individual houses, with subsequent liquidation of part of the credit received at the expense of Sberbank funds. Thus, in 1991, 53 workers in the system were supplied with housing in this manner.

Protecting the everyday concerns and health of the workers was not forgotten. Thus we have purchased six places in the preventive medical sanatorium in Kokchetav Oblast, and a resort area with cottages for 75 people on the shores of the Kapchagay water reservoir. A Pioneer Camp is being built in a picturesque place in the foothills of Zayliyskiy Alatau [near Alma Ata].

The liberalization of prices struck a severe blow to the standard of living of the poor, and above all to non-working pensioners. Taking this into consideration, the Sberbank of the Republic of Kazakhstan has decided to render them social assistance by means of monthly supplements to their pensions of 100 rubles, beginning 1 January 1992.

Charitable acts are also manifest: in just the last 18 months about R1 million have been allocated to a fund "For the Children of the Aral" and one "For Eradicating the Consequences of Nuclear Testing at Semipalatinsk Test Range," and to other social organizations and private individuals.

Independence has not brought blessings to the system in and of itself. But it has helped us to develop, to resolve many questions without oversight from the Center, and to display greater resourcefulness and enterprise. It has forced us to think, to learn, and to recognize the laws of the market.

In this article we have touched upon only a few of the problems which we are working to solve. However, many other problems are awaiting solution, and the further development of savings matters and improved service to the population are dependent upon their solution.

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Discrimination Against Russian Speakers Reviewed

93US0102A Moscow ROSSIYSKAYA GAZETA
in Russian 3 Nov 92 p 7

[Article by S. Skorokhodov: "Extraordinary Meeting in Talgar"]

[Text] "To the President of the Republic of Kazakhstan N. A. Nazarbayev. Esteemed Nursultan Abishevich, I am advising you that after my speech at a session of the Supreme Council on bilingualism in our country I was subjected to threats, insults, and telephone calls at all times of day and night. I was recently informed that I will be destroyed together with all the members of my family. Inasmuch as in accordance with the constitution you are the guarantor of law and order I am asking for your protection as a citizen. T. Zhavoronkova."

ROSSIYSKAYA GAZETA already reported on how the "Civic Union" deputy group was formed at the spring session of the parliament of Kazakhstan with T. Zhavoronkova as its secretary.

In response there was a persecution campaign, developing around Zhavoronkova's name, launched by the YEGERMENDY KAZAKHSTAN republic newspaper, which is

published in the Kazakh language, and picked up by the rayon ZVEZDA ALATAU rayon newspaper. It ended with an extraordinary meeting of the Talgar City Council, T. Zhavoronkova having been elected its chairman some two years earlier.

Here is just one of the complaints, highly typical in tone and content, directed at the people's deputy: "Perhaps she would want the dialect spoken by Papuan natives on the continent of Africa to receive the status of a state language in our republic?" ZVEZDA ALATAU inquired.

It apparently never occurred to the persecutors that Papuans do not live in Africa. It evidently also makes no difference to them that most of the population in the republic speaks Russian, including a significant share of the Kazakhs themselves.

"Remove as not having justified confidence!" That was the verdict reached at the extraordinary meeting in Talgar.

In order to understand how far removed the problem of language is from the ethnic one, it is sufficient to recall that the practice which is forming in the republic with the application of the law on languages, obliges all workers in the administrative sphere, as well as heads of material production, communication, housing and municipal services, and all personnel in trade and public catering, public education, and other spheres to "be able to hold a conversation on a general topic as well as on topics connected with their profession" in the Kazakh language by 1995.

Some "progress" has already been noted. The share of Russian-speaking executives, for instance, in the Ministry of Public Education of the republic shrank from 43 to 14 percent, while among specialists in the main administration of that ministry it dropped from 47 to 19 percent. Thus the problem of rescuing the Kazakh language was transformed by its speakers into a peculiar kind of linguistic ban on professions, which is extremely dangerous. I shall cite from another document which was forwarded to President Nazarbayev some time ago:

"Good day Deputy Zhavoronkova. I heard your speech on the language issue. You people are mentally defective. Get out. Who asked you to come here, you spongers? Get out while you can."

The president did not heed the voice of the people's deputy and it was necessary for her, someone who was first to raise her voice for a majority of the population of Kazakhstan, to "emigrate" to Russia. They say she now lives in Orel.

Delegation Investigates Anti-Chechen Acts

93US0090A Moscow LITERATURNAYA GAZETA
in Russian No 45, 4 Nov 92 p 2

[Article by LITERATURNAYA GAZETA correspondent A. Samoylenko: "Parliamentarians in a Store (But Not Shopping)"]

[Text] Alma-Ata—What happened in Ust-Kamenogorsk is well known today to all who read the newspaper, watch television, or listen to the radio. But few people know

about the unexpected continuation of these events which took place at the Alma-Ata central department store...

Here journalists met with a parliamentary delegation of the Chechen Republic headed by Yusup Sosilambekov, leader of the Confederation of Peoples of the Caucasus. The Chechen parliamentarians had flown into Kazakhstan with the hope of averting carnage between Kazakhs and Chechens or, if this turned out to occur all the same, of organizing an evacuation of their fellow countrymen back to their native land.

Why did the press conference take place in such an inappropriate place? Showing tact, the guests explained this strange phenomenon by virtue of a technical glitch—they said it was Saturday and someone from the press service of the Kazakhstan Supreme Soviet "simply" did not arrive somewhere. And so this is why the Chechen parliamentarians, including three committee chairmen (of the Committees on Foreign Affairs, on the Press, and on Human Rights) found shelter in the store. And only because this is where Mariya Dzhamaliyeva, chairman of the Kazakhstan Chechen-Ingush Cultural Center "Vaynakh," works.

All the same, this is not what is strangest about the excessive behavior we see. What is it that compelled deputies of the Eastern Kazakhstan Oblast Soviet to make the decision to move all local Chechens outside the boundaries of the oblast? What kind of phenomenon are we dealing with here? What is this—intellect gone to sleep? Political bad manners? Fear in the face of the raging crowd?

No. Let me dare to assert that this decision is the result of something which has already become a traditional interethnic policy, not born today and in no way originating in Eastern Kazakhstan. "Caucasians" have for a long time now been transformed into a lightning rod through which social embitterment, racism, and other vile instincts have periodically been discharged. We should recall that the culprits in the disastrous situation for Novyy Uzen residents turned out to be precisely "Caucasians," and efforts were immediately begun to drive them out like filth. Then two dozen Chechen families were banished from Taldy-Kurgan Oblast with gay excitement. In Alma-Ata Oblast, "Caucasians" are warned periodically: You had better make yourself scarce by such-and-such a date!

And no one in the corridors of power has stated as much as a single time, clearly and distinctly: Gentlemen, this is not national patriotism at all, as you have been thinking! No way! The persecution of "Caucasians" takes place every time with no reaction from the authorities, even, as we have seen, with their support. It would be logical to expect that the Eastern Kazakhstan deputies would cross themselves and feel ashamed, admit that a preposterous event has taken place... But it is quite the contrary. Yes, the decision was repealed. But do you know why? I quote from the republic newspaper KAZAKHSTANSKAYA PRAVDA: "It accomplished its task—averted interethnic conflict... If at that critical moment the deputies had... clung to the letter of the law—they would have had to

build a new cemetery in Ust-Kamenogorsk. A compromise with the law, which the authorities resorted to, saved people's lives." In other words, the supreme expediency of the moment at hand demanded a decision of the authorities which was against the law, and such a decision emerged immediately... Yes indeed, there is something to ponder about here. And not only for Chechens.

According to what queer logic are commonplace criminal acts again transformed in an instant into a political situation? What kind of force is it that propels "the fury of the masses" into undertaking grand maneuvers of hate?

Nursultan Nazarbayev stated that in Kazakhstan itself, and particularly beyond its borders, there are forces interested in destabilizing the situation in the republic. I cannot admit that this explanation was satisfying to me, especially with respect to forces which are located beyond the borders of Kazakhstan. To talk over and over again about forces "beyond our borders"—is this delusion or cunning?

Racism, instinctive hatred, absurdities—all are to be found within us ourselves. As the ancients used to say: "I carry all my belongings with me." The question is one of when we will recognize this.

KYRGYZSTAN

Ministry Refuses to Register Uighur Freedom Organization Party

93US0092A Moscow NEZAVISIMAYA GAZETA
in Russian 24 Oct 92 p 3

[NEGA report: "Kyrgyzstan"]

[Text] The Kyrgyzstan Ministry of Justice has refused to register the charter of the party, Uighurstan Organization of Freedom.

Insofar as the proclaimed aim of the party is to expose the colonial policy of the leadership of China being carried out with respect to Uighurs and other ethnic minorities residing in China, the provision of assistance in resurrecting independent Uighurstan—a state which would presumably be resurrected through separation of the Xinjiang-Uighur Autonomous Region from China—was categorized by the Kyrgyzstan Justice Ministry as intervention in the internal affairs of the sovereign state of China.

State Secretary on European Aid Prospects

93US0092B Moscow TRUD in Russian 3 Nov 92 p 3

[Article by Nikita Shevtsov: "Kyrgyzstan—European Community: A Dialogue Between Equals"]

[Text] Brussels—Kyrgyzstan and Belgium are separated by thousands of kilometers. And what could be common between the processes taking place in one of the most developed Western European states whose capital contains the basic institutions of the European Community, and a remote Central Asian republic which is in no way experiencing the best of times? But if we conduct a serious analysis of the situation which has come about in Kyrgyzstan, we become convinced that this country has in fact

chosen a fairly consistent orientation on market economics and the democratic development of society according to the West European model.

It is with this point that I began my conversation with E. Karabayev, state secretary, director of the president's apparatus, and chairman of the Kyrgyzstan Committee on Investments, who was spending several days in Brussels as head of a republic delegation. Talks were being held at the European Community Commission. Today Kyrgyzstan urgently requires assistance to successfully establish and enhance its economy and increase the population's standard of living, including assistance from the Western countries. The Kyrgyzstan representative believes, however, that a situation has been created today where regions of the former USSR which are oriented on the Islamic countries immediately began receiving from them quite appreciable amounts of economic and financial assistance, while Kyrgyzstan, with its eye towards Europe, is not as yet obtaining effective support from that direction.

Unfortunately, Karabayev states, we know little about one another at present, and this of course interferes with mutual interaction. But it would be erroneous to believe that the European Communities Commission sees Kyrgyzstan as "terra incognita." The Commission is carefully attempting to follow events in the country, the economic and political situation, and its mutual relations with neighboring states. It is no chance occurrence that several high-ranking representatives of the European Community have visited the republic in recent times.

Over the course of the talks conducted in Brussels, it was confirmed that the European Community will afford Kyrgyzstan this year 32 million ECU's, of which 20 million will be used to acquire medicines and 12 for the purchase of food—baby food, vegetable oil, sugar, rice, etc. It is extremely important, Kyrgyzstan officials believe, that the humanitarian assistance and credits from the European Community be afforded without the stipulation of any conditions whatsoever. And herein lies a distinction in policy between that which is being conducted with respect to Kyrgyzstan by the International Monetary Fund (IMF). Measures being proposed by the IMF which are directed towards building up the economy of the republic do not always take social consequences into account. Incidentally, Kyrgyzstan is among the few countries which have agreed with all of the fund's demands, including those which concern price and wage regulation.

An agreement was reached during the visit of the Kyrgyz delegation on the establishment of diplomatic relations between Kyrgyzstan and the European Community. A resolution was adopted to open a representation of the republic in Brussels. Preparation was begun on a partnership agreement. The European Community will send specialists on a regular basis with the aim of drawing up programs for the republic in the sphere of economics, infrastructure, and tourism. And finally, the amount of humanitarian assistance provided to Kyrgyzstan next year will be broader still.

With respect to top-priority partners determined by the European Communities Commission, Kyrgyzstan, along with Belarus, Kazakhstan, Russia, and Ukraine, will become participating members of a partnership agreement between these five states and the European Community. All of this provides evidence, E. Karabayev states, that Kyrgyzstan is being accepted in the community not as a poor relative but rather as a long-term partner with equal rights.

During the course of its visit, the Kyrgyzstan delegation delivered the text of a message from President A. Akayev. Also discussed was the possibility of his traveling to Belgium and Holland and visiting the European Communities Commission.

In the opinion of E. Karabayev, the results of the visit may be considered very successful. This provides grounds for the hope that even in the very near future relations between the European Community and Kyrgyzstan will be raised to a qualitatively higher level.

Broad opportunities for Kyrgyzstan to draw nearer its European partners are being presented by the activity of the Committee for Reconstruction and Development of the Economy, established under President A. Akayev. The West European company Seabeco Group, which represents the interests of the republic in the West on many issues, is participating actively in its work. Showing respect for the interests of Kyrgyzstan, the Seabeco Group is helping it utilize the experience, knowledge, and skills accumulated by advanced states in the business and management sphere, and is carrying out an active investment policy in the republic. The presence of Seabeco Group in the Committee for Reconstruction and Development of Kyrgyzstan represents an as yet rare example of mutual interaction between state structures and the business world, with the attraction of foreign capital.

Thanks to the committee, Kyrgyzstan is becoming increasingly active in establishing broad foreign economic ties. The committee is constantly attracting foreign experts for developing the economic programs which are so necessary to Kyrgyzstan. These programs will create broad opportunities for foreign investments and concessions from abroad, establish a system of communications, and broaden the local market for West European and other imported products.

The European Communities Commission also examined the situation in the CIS during the course of the talks. The Kyrgyzstan representatives asserted that success is not always achieved within the framework of the Commonwealth in resolving specific problems which touch upon the vital interests of each of its member states. This can be explained to a great extent through the lack of a concept of activity on the part of the CIS. In our view, E. Karabayev states, the movement of states within the CIS framework must take place naturally. It is a complex process which requires time.

"The financial foundations of the CIS should be strengthened by virtue of establishment of the Commonwealth

Bank, a decision concerning which will be made by consensus. We believe that the formation of a single monetary space," the state secretary continued, "is impossible without mutual compromise. The CIS countries need common taxes, tariffs, licenses, credits, and prices, as well as common antidumping and antitrust legislation. Also required is the establishment of an economic court within the framework of the Commonwealth."

Together with our partners from the European Community, E. Karabayev noted, we also discussed issues related to the activation of fundamentalist forces in the Central Asian republics of the former USSR. In our view, the danger of Islamic fundamentalism is somewhat exaggerated. More often than not we are witnesses to discontent of an ethnic nature manifest there, but which is expressed through religious actions. On the whole, we believe that religion, including Islam, assists in overcoming alienation in society and maintains its moral, healthy foundations.

It must be said that the European Community has quite a good comprehension of the political situation in Central Asia. They understand there that events are developing differently in each of the republics, that a differentiated approach must be applied to this region. But all the republics have identical forces representing Islamic fundamentalism.

"But if we are to discuss ethnic conflicts, it is primarily due to the position and political will shown by Kyrgyzstan President A. Akayev and Uzbekistan President I. Karimov that success has been achieved in eliminating the bastion of tension in Osh Oblast and not allowing it to spread to other regions of Central Asia. We were not about to send peacemaking forces to Tajikistan, states E. Karabayev. We believe this could lead only to internationalization of the conflict in Central Asia. I would like to say in this regard that averting ethnic conflicts and maintaining a stable political situation in the Central Asian republics depends to a great extent on state leaders. I would therefore like to note the significant role which President A. Akayev is playing in the life of our republic. A democrat and individual of European orientation, President Akayev understands full well that without stable, friendly relations with Russia, it will be a difficult matter for our country to achieve economic growth or an improved standard of living for the population. Many Russian people reside in our republic, and the Kyrgyz have deep feelings for them."

Our republic has charted a course towards the revival of democratic and national traditions. This is reflected in Kyrgyzstan's draft constitution. The constitution's main priorities are devoted to human rights. The establishment of civic peace and national accord is proclaimed as the most important aim. Ownership relationships are affixed in the constitution, which also envisages a separation of powers. In particular, the president may not simultaneously be the head of government.

UZBEKISTAN

Presidential Edict on Formation of 'Local Industry' Corporation

935D0035A Tashkent KHALQ SOZI in Uzbek 4 Sep 92 p 1

[Text of Edict: "Concerning the Formation of a State 'Local Industry' Corporation"]

[Text] In order to renew progress in forming the management of the republic's local industry, to broadly implement market forces in the system, to broaden the economic independence of enterprises, to develop their initiative and resourcefulness in increasing the volume of production of consumer goods and handicraft items, to fully utilize local raw materials for this purpose, and to attract that section of the populace which is unemployed to production:

1. The Ministry of Local Industry of the Republic of Uzbekistan should cease to exist.

The proposal of local industry associations, enterprises, and organizations concerning the formation of a state "Local Industry" corporation should be accepted.

It should be stipulated that the "Local Industry" corporation is a voluntary association comprising all industries, establishments, trade, planning and construction enterprises which are structured as an ownership, as well as organizations of closed shareholder groups, that it has the rights of a corporation, and that it has been organized and will transact business on the basis of the operative laws.

2. The proposal to turn this association of enterprises and organizations which are now part of the state industrial-trade association for folk handicrafts into a republic industrial-trade concern for folk handicrafts which will join the structure of the state "Local Industry" corporation should be approved.

3. The Council of Ministers of the Republic of Karakalpakstan and provincial officials should close the Republic of Karakalpakstan's Ministry of Local Industry and the provincial departments of local industry, and should help local enterprises and organizations located in the appropriate jurisdictions form republic and provincial industrial concerns.

4. The Council of Ministers of the President of the Republic of Uzbekistan should take a decision on the issue of organizing the activities of the state "Local Industry" corporation within ten days.

[Signed] I. KARIMOV, president of the Republic of Uzbekistan

Tashkent

3 September 1992

Perception of Higher Standard of Living Seen Slipping

93US0097A St. Petersburg SANKT

PETERBURGSKIYE VEDOMOSTI in Russian
22 Oct 92 p 3

[Article by L. Usmanov: "Uzbekistan: Confidence is Steadily Waning"]

[Text] TASHKENT (by telephone). By order of the president of the Republic of Uzbekistan preventive measures were adopted beginning 1 October 1992 for the social defense of the populace; specifically, the wages of all officials of budget organizations were raised by a factor of 1.6. But few people in the republic had any doubt that a new price increase spiral would follow. And in fact on 16 October, decrees of the Cabinet of Ministers were announced on price adjustments for energy resources and for foodstuffs, in accordance with which prices for food and municipal services nearly doubled. Now a loaf of white bread costs 11 rubles, a liter of milk 10 rubles, a kilogram of meat 80 rubles, creamery butter 180 rubles, sugar 45 rubles, rice 25 rubles, household soap 10 rubles a bar, and so on.

The cost of central heating and hot-water supply has increased fivefold, and city and suburban passenger service costs have doubled. A liter of gasoline now costs 30 rubles. The republic's mass information media, commenting on these edicts, nevertheless pointed out not without a touch of pride that prices for those same products in Russia, Ukraine, Kyrgyzia and Kazakhstan are much higher than in Uzbekistan, which is on the whole correct. Only it's a pity that in comparing the prices they failed to take into consideration the rather striking difference in wages for Uzbeks and, for example, Russians. Nor did they consider the fact that, for these comparatively low prices, in Uzbekistan one can buy only the miserable amount of products for which one has coupons, like in wartime. Free sales exist only in the markets, where prices are about the same as in Central Russia. In any event, the confidence of the citizens of sunny Uzbekistan, that they live much better than the other republics of the CIS, is beginning to wane little by little. And, few people take comfort in the fact that Gaydar and Yeltsin are to blame, having raised prices for oil and oil products first 1.5-fold and then 3.5-fold without consulting the republic. The more so since the official authorities in the republic admit that purchasing food from abroad would cost the citizens of Uzbekistan much more.

But, no matter how severely the food situation impacted the republic, humanitarian aid is being rushed to Tajikistan, which is on the brink of famine. Hundreds of tonnes of flour, rice, sugar, vegetable oil, medicines, children's clothing, shoes and tents have already been sent to Dushanbe. The next lot of freight will be rushed directly to Kulyab and Kurgan-Tyube Oblasts.

REGIONAL AFFAIRS

Muslim Hierarchy Role in Politics Viewed

93US0093A Moscow NEZAVISIMAYA GAZETA
in Russian 24 Oct 92 p 3

[Article by Aleksey Malashenko: "Muftis, Mullahs, and Politics: The Struggle of the Old and New Muslim Clergy"—Arabic titles and terms are transliterated from the Russian]

[Text] One of the main scenarios of the Islamic renaissance in the CIS is associated with the official clergy. (Strictly speaking, Islam does not have a special clergy, just as it does not have ordination. Any Muslim who knows the Koran, the Shari'a, etc., better than others can organize religious life. But in fact Islam, like any other religion, has its own clergy, whose functions are comparable to the functions of the Christian clergy.) Under Soviet rule the official Muslim clergy came under the jurisdiction of four administrations—the Central Asian Ecclesiastical Administration of Muslims (SADUM), the Ecclesiastical Administration of Muslims of the European Part of Russia and Siberia (DUMES), the Ecclesiastical Administration of Muslims of North Caucasus (DUMSK), and the Ecclesiastical Administration of Muslims of the Transcaucasus (DUMZak). All imams and muezzins who worked in the few mosques that survived the unequal duel with the Bolsheviks were subordinate to them.

However, at the same time tens of thousands of illegal mullahs existed, working in illegal mosques and enjoying an authority no less than that of their "legalized" colleagues. The authorities sometimes fought against the illegals, and sometimes ignored them, because the very existence of a "parallel" Islam was unfavorable testimony to the futility of atheistic propaganda (which in Central Asia and the Caucasus was always three-quarters socialistic fakery).

Perestroika lumped the "legals" and "illegals" together and highlighted the most unattractive features—corruption, cupidity, amorality—of the leadership of the institutional clergy, which somehow had to assert its authority once again. But this proved not to be very easy. Especially because the previously persecuted mullahs quickly learned how to exploit the advantages of their past dissidence.

In the end, the system of ecclesiastic administrations itself was shaken, among which first fiddle was played by SADUM, which is led by Grand Mufti Shamsutdin Khan Ibn Ishan Babakhan, son of the predecessor to this post, Ishan Babakhan ibn Abdulmadzhidkhan.

Babakhan fell in 1988, the first victim of perestroika changes. Evidently, understanding that he could not keep his position in any case, he relatively easily gave up the leadership of SADUM.

The next was Makhmud Gekkiyev, the head of DUMSK, a rather unremarkable personality against the background of an imposing Shamsutdin Babakhan or the leader of DUMES, the refined intellectual Talgat Tadzhutdin. In

May of 1989, Gekkiyev was simply evicted from the residence of the ecclesiastical administration. He was charged with a whole series of accusations of corruption, financial machinations, the disintegration of "ecclesiastical work," etc.

The departure of two pillars of official "Soviet Islam" was the impetus for the breakdown of the system of powerful regional ecclesiastical administrations and the appearance of national muftiyats and kazyats. This natural process, which was completed after the disintegration of the USSR, led to the formation in each independent state of its own ecclesiastical structures. Independent structures were formed in the republics of Central Asia. In North Caucasus, instead of a single administration a whole bunch of national ecclesiastical structures emerged—kazyats, which actually did not have a unified influential center. Elected in January 1990 (with a small majority of votes) at the Makhachkala congress, Muslim Gagautdin Isayev did not become a real authority for the whole North Caucasus region. Moreover, he was unable to make it easier for Muslims to make a hajj to Mecca. To put it bluntly, Isayev was unable to keep payment for a hajj at the previous level, or to break loose additional resources for this God-pleasing cause from the local and Moscow administrations.

In addition, the new mufti, who actually only represented Dagestan, was in no hurry to create difficulties for himself in his relations with the Soviet authorities.

And here the position of Mufti Isayev was no exception. The new leaders of the national ecclesiastical administrations—the muftiyats and kazyats—took the position... let us say, of solidarity with the leadership of their own states. This was manifested most clearly, in particular, in the words and deeds of the mufti of Uzbekistan, Muhammad-Sadyk Muhammad Yusuf, and his colleague from Kazakhstan, Ratbek Nisanbayev. Both of them are advocates of the secular model of social construction, and they resolutely approve (right after the presidents) the use of the Turkish experience of development, and, of course, they are against the use of Islam in politics.

The latter should be mentioned specially because it is the higher institutional clergy that is an ardent opponent of the Islamic political movement, and, specifically, the muftis are consistently against the Uzbek Islamic Revival Party, the Kazakh National Freedom Party "Alash," etc.

In essence, the new national muftis took the position of the former "Soviet" clergy. True, now it is not necessary to support and approve senseless and bombastic slogans but the desperate attempts of the presidents to lead their countries out of a deep crisis.

There is also no need to talk about the fact that, along with a sincere desire to help the national authorities, the institutional clergy is also thinking about the preservation of its own influence in society. And, indeed, who now voluntarily gives up ecclesiastical and political authority and, at the same time, various kinds of blessings! Certainly not the higher orthodox hierarchy. The muftis' unconditional support of official policy also encounters objections among a considerable part of the average and lower level clergy.

which is more and more eagerly cooperating with the fundamentalists. There are quite a few examples of this. We recall the attempts to remove both Uzbek and Kazakh muftis from higher clerical posts undertaken by their opponents in 1991. The fight against Ratbek Nisanbayev in December in the Alma-Ata mosque even took the form of a small hand-to-hand skirmish.

As for Russia, since 1991 certain imams have also declared their disagreement with the former order of things, in particular with the despotic, according to their expression, methods of administration of Talgat Tadzhtudin.

The opposition of the "young imams" was headed by Mukaddas Bibarsov, imam-khatyb of the Saratov mosque. Their main demands can be summed up as the division of the DUMES into smaller units and its transformation into a coordinating center with a minimal administrative apparatus. The mosques (parishes), as supposed by Bibarsov, will unite depending on the specific interests of the parishioners themselves. In the summer of 1991 the opposing imams demanded the resignation of the DUMES leadership and its head. The mufti was accused of the fact that he and his supporters were playing the card of Tatar-Bashkir contradictions, while at the same time reproaching the use of alcoholic beverages. A professionally recorded video cassette is being passed around in which the instructor of the Russian Muslims breaks three bottles of vodka and a bottle of champagne at the entrance to the mosque ("for luck," or as a symbol of victory over alcoholism?). The "ecumenical" inclinations of the mufti are not approved.

Of course, Talgat Tadzhtudin does not recognize the interregionals, as he also does not recognize the formation of an independent muftiyat in Kazan.

The "young imams" are in a resolute frame of mind. They have already established an Interregional Administration of Muslims, which was joined by the Saratov, Volgograd, and Penza parishes. In the parishes accountable to the administration, the imams are not appointed from above but are only confirmed after election by Muslims. An agreement was concluded with the mufti of Tatarstan in which the interregionals received for their parishes seven percent of the places among pilgrims to holy places.

It is possible, of course, to describe the events in DUMES as the excessive ambition of the generation of 30-year-olds. Everything can also be blamed on the blunders of Talgat Tadzhtudin who, by the way, also cannot be classified as old. But, after all, something like this is occurring in all the Muslim regions, where a new generation of Muslim clergy was formed that is clearly attracted to independence and, moreover, which has an obvious taste for organized political activity. In the Caucasus, for example, a structure that was parallel to the clergy emerged in the spring of 1992—the Islamic Center of the North Caucasus, which was headed by one of the authoritative politicians of Chechnya, Muhammad Husayn-hajji Alsabekov (born in 1959).

The same Bibarsov considers the intervention of Islam in politics to be permissible.

And here it is appropriate to mention Akbar Turandzhod, the kazi-kolon of Tajikistan (who also has not reached 40 years of age), the first and only one of the Muslim leadership of the former USSR who openly intervened in the political process on the side of the then persecuted Islamic Revival Party. And although he did not succeed in becoming an all-national leader, which he could fully have claimed some time ago, his participation in politics also reflects an important and, evidently, inevitable trend today of politicization of the Muslim clergy. In its favor is the election in February 1992 of Said-Akhmed Darbishgadzhiyev, one of the leaders of the Islamic Democratic Party, as mufti of Dagestan and the participation of rais-imam Karachay Magomet Bidzhiulu in the activity of the Islamic Revival Party.

From time to time Allakhshyukur Pasha-zade, chairman of DUMZAK and spiritual head of the Azeris, who has occupied the post since 1980, gets involved in politics, but very cautiously. In particular, he is taking part in the construction of the "Caucasus House." Outlasting a half dozen all-Union and party secretaries, Pasha-zade is in no rush to get himself fettered to political intrigues, preferring religious and scientific "studies" (the degree of doctor of philosophy was conferred on him recently)...

The clergy is a carbon copy of Muslim society with all its problems. Its (clergy) transition from Soviet to a new status is unquestionably a complex and contradictory process. And we should not rush into assessments of the opposing sides. We hope that the Muslim pastors will find the self-control and patience to understand each other correctly.

ESTONIA

Saaremaa Governor on Status of Russian Bases

93UN0129A Helsinki HELSINGIN SANOMAT
in Finnish 29 Sep 92 p C 6

[Article by Anna Paljakka: "Russians Are Leaving Saaremaa Rapidly. Governor Juri Saar: 'All of the Bases Should Be Under Estonian Control in October'"]

[Text] The auto ferry arrives from Saaremaa at the mainland and opens its hatch in Virtsu harbor. A couple of dozen green military vehicles roll on shore from the bowels of the ship: radar, generators, and a couple of missiles concealed under a tarpaulin.

"Apparently an anti-aircraft battalion. They have been leaving Saaremaa recently," people on shore speculate.

On the return trip the ferry comes back full. The army trucks driven by soldiers with shiny stars are gathering items to be moved from Saaremaa.

"In October all of Saaremaa's bases should be under Estonian control," Governor Juri Saar reports. The departure of the Russians has taken place at an amazing speed.

The governor estimated that 2,000-3,000 soldiers had been on Saaremaa at a time. Precise information had never been given to the provincial government.

The Russians gave up three air bases first. The border posts were abandoned during the last two or three weeks. The missile sites are being evacuated last.

Surprising Problems

The departure of the aircraft has already brought surprising problems for Saaremaa. Fuel for civilian needs, which used to be distributed from the air base, now has to be acquired from somewhere else.

Since Estonia's border guard is still in the process of being set up, sufficient people have not been obtained for the Saaremaa border posts. The Estonians do not intend to put all of the posts into operation, Saar said.

Saaremaa was the outermost element of the Soviet Union's air defense. The Baltic island had strategic importance in every respect. According to observers, the army's departure from the island is new evidence that Russia's defense doctrine has been redirected in accordance with present reality. New air defense sites have already been built next to the eastern boundary of Estonia, and troops have been moved there.

In Estonia's and Russia's desultory negotiations the presence of foreign "occupation troops" is the most crucial issue in the mind of the Estonians.

In contrast to Lithuania and last week Latvia, Estonia has not reached agreement with Russia on a schedule for removing the troops.

Estonians do not volunteer the information that a large part of the Russian troops have pulled out from bases in

various parts of Estonia even without an agreement. Many of them are already empty, and it is easy for outsiders to enter them.

Questions were raised about this during the Estonian elections last week. "There are still about 15,000 Russian soldiers in Estonia," Uno Veering, who heads the Estonian delegation in the negotiations with Russia, indicated to foreign journalists. In other words, about half of the troops have left the country within a short time.

"Ten thousand have left. Our people do not have anything more to do here," a representative of the Russian Embassy replied at the same time.

Even if the last Russian troops leave, there will be much for Estonia and Russia to agree on.

Compensation questions, especially about damage caused to the environment by the bases, are still pending, as is the fate of the weapons dumps.

Many places have been left in good condition, but in others destruction has occurred. Everything has been locked up because of the garrison.

A drive around Saaremaa makes it clear that most of the Russian population have left the island.

There are still some at the Karujarve missile base. At the Koigula airfield from which Soviet bombers took off during World War II to bomb Berlin even the huge monument commemorating the place's history was dismantled.

On the Sorvi peninsula the lighthouse keeper, a middle-aged Estonian woman, wrings her hands. "Who am I really serving?" she asked and said that the Russians suddenly disappeared a few weeks ago. The salary for September was still paid, but the ruble is not worth much when converted into Estonian kroons.

Everything Taken Away

The Karg border post is empty. Someone has left his tattered cap on the head of Lenin's statue, and the slogans telling about the victory of socialism flap dejectedly in the wind.

Two Estonians hired as guards are at the place. Not all of the destruction was caused by the Russians, since the Estonians too have taken away anything that was loose from the deserted buildings.

The exotic-looking lady, Gulmara Omuralieva was pushing a baby carriage on the edge of Sankipelto. She is a Kyrgyz by origin, as is her officer husband. The family lived in Estonia for four years and got along well.

"Life at the base was monotonous, of course. On the other hand I, a Muslim, had the opportunity to become acquainted with the conditions in this almost Scandinavian country," Omuralieva, who was wearing jeans, said.

She would have liked to go back home to Kyrghyzstan. The family is being transferred, however, to a new base somewhere near St. Petersburg. Packing crates that were brought in on Wednesday have been placed in the yards of the Torgu base's residences.

The little Kyrghyz children riding in the carriage, the two-year-old Nazira and the seven-month-old Urmat, were born in Estonia. The family has Estonian friends, and Omuralieva has learned the language moderately well. She wishes from her heart that the children would retain some connection to the land of their birth.

Finns Convert Oil-Fired Power Unit to Natural Gas

93UN0129B Helsinki HELSINGIN SANOMAT
in Finnish 29 Sep 92 p C 6

[Article: "IVO Renovates Power Plant in Tallinn for the Use of Natural Gas"]

[Text] Imatran Voima will convert the power plant located in Lasnamaki near Tallinn for the use of natural gas. The facility is a 200-megawatt back-pressure power plant, which has been using heavy fuel oil as a fuel. The price of the project is just under 4 million markkas.

The work is to be completed in December. The Estonians are financing the project mainly themselves. The Finnish Ministry of the Environment, however, will pay about one-fifth of the costs.

LATVIA

Russian Army's Training Center in Dobeles

93UN0218A Riga DIENA in Russian 22 Oct 92 p 1

[Article by Janis Silis: "Forces of the Russian Army's Training Center Concentrated at Dobeles"]

[Text] Riga, 21 Oct

Train Detained at Riga to Be Sent to Kaliningrad

Latvia's defense forces have information that all the forces of the Russian Army's 54th Training Center, heretofore deployed at various locations in Estonia and Latvia, have now been concentrated at Dobeles. This is regarded as a certain threat. The command element of Russian forces in the Baltic area consider these fears to be unwarranted.

"These reports on plans for forming a mobile infantry brigade at Dobeles to replace the division are being checked out. The fact that the train detained at Riga was en route to Dobeles, unquestionably reinforces the suspicions," Daivis Turlais, commander of Latvia's self defense forces, told the DIENA correspondent. D. Turlais briefed the command element of the Northwest Group of Forces (SZGV) and Aleksandr Rannikh, the Russian ambassador in Riga, on these suspicions and on information in his possession. D. Turlais stated that the ambassador had expressed understanding that "this is contrary to our agreements, the talks underway and the actual program for the withdrawal of the troops." Fedor Melnichuk, deputy SZGV commander explained to the DIENA correspondent that there is no

troop concentration underway at Dobeles. The training division (spread out over military posts at Adazhi, Dobeles, Ventpils and Vyrus) ceased to exist this year. It was reduced to one third or one fourth of its former size and became a brigade. The withdrawal from Ventpils is now approaching the end (a tank regiment has been moved to Dobeles), and all subunits have been withdrawn from Vyrus (the notorious train came from there). "I can tell you that it is planned to withdraw the forces and facilities at Dobeles as well during the first half of next year," F. Melnichuk stated. Seventy percent of the former division's officers have already received their assignments and are waiting for their orders to leave for their new stations.

Defense Ministry Claims Privatized Property

93UN0218B Riga DIENA in Russian 20 Oct 92 pp 1,8

[Article by Liga Krapane: "The Ministry of Defense Continues Its Dual With Private Firms"]

[Text] Riga, 19 Oct—"The battle will be very difficult. I will not presume to say that it will all end well, but I know that this will be a graphic exposure of the personal economic and lobbying interests of many deputies," said T. Jundvis in an interview with our DIENA correspondent concerning negotiations on buying and selling between several firms and certain military units of the former USSR. Upon ascertaining that the law does not prevent several private structures from acquiring ownership of several hundred of the 1,500 installations of the former USSR in Latvia, the Ministry of Defense has made two attempts to get the Latvian Republic's Supreme Council to change the law so that these installations can be recovered and used for defense purposes. It has not been successful at this point, because two of the standing commissions in the Latvian Supreme Council (those dealing with legislation, with defense and internal affairs), as well as the NFL (Latvian People's Front) faction, are not in favor of amending laws retroactively.

The conflict was further exacerbated last summer, when the Economic Court considered a suit filed by the Software House (SWH) firm for recognition of its right to own four facilities it had acquired from the army of the former USSR and ruled that the contracts were completely legal and in conformity with the law. The Latvian Republic's Prosecutor's Office and the Lawyers' Association arrived at the same conclusion. The grounds for the suit was a directive issued by the government (after the contract of sale and purchase had been concluded), which transferred the four facilities acquired by the SWH (one in Liepaja and three in Riga) to ministry ownership.

Deals made between private firms and the army of the former USSR after 24 August 1991 have been declared null and void. This interpretation of the 5 November 1991 decision on the transfer of property in the possession of the army of the former USSR to state ownership was rendered by the Presidium of the Latvian Supreme Council on 26 March 1992, which was within its authority. "The Presidium interpreted the decision incorrectly, and consequently the essence of these cases is not being considered in the courts. We therefore demand that the Presidium's

clarification be nullified. This would actually be enough," T. Jundvis explained to DIENA. This fully applies to the latest announcement by the ministry it governs to the commissions of the Latvian Supreme Council and the NFL faction. The ministry's legal experts also cite the 3 December 1990 decision of the Latvian Supreme Council "On the Protection of State Property in the Latvian Republic." This ruling prohibits all economic transactions which directly or indirectly violate the republic's laws on ownership. This interpretation of the matter essentially constitutes an amendment to the law which provides for decisions with retroactive force, although this is not supported by either the Supreme Council deputies or the legal experts. "In my opinion, the methods chosen for resolving this matter are incorrect from the legal standpoint. The only way is the legal one. The court is still the court even when it renders rulings not consistent with the state's interests," Deputy Chairman of the Latvian Supreme Council V. Birkavs said at a meeting of the NFL faction. The faction's leadership, A. Endvins, chairman of the Commission on Legislation, and several deputies in the faction joined him in this opinion. Furthermore, the SWH court case on the legality of its acquisition of the facilities certainly did not end with a court ruling, and to this day the government has not rescinded its directives transferring the facilities acquired by the firms to the ministries. Right now these facilities are actually being managed by the SWH, the firm's management explained. The Ministry of Defense filed an appeal with the Economic Court the very last day on which the case could be submitted for review. A second session of the Economic Court was held on 24 August, which halted the court proceedings on the SWH case based on a draft law of the Latvian Supreme Council retroactively altering the repeatedly mentioned 5 November decision. Despite this, DIENA has been unable to ascertain the opinion of G. Parkevich, chairman of the Economic Court, on the independence of the court he heads (he declined to express it for purely ethical reasons), and the opinion that the government was exerting pressure on the court was repeatedly expressed in statements by both deputies and legal experts.

"If the government respects the court, as should be the case in a law-governed state, it should alter its unlawful directives on the transfer of facilities belonging to the SWH to the ownership of the ministries without waiting for a protest from the Prosecutor's Office. I feel that a court ruling takes precedence over government directives. The legal experts have no doubts that this is not the way to proceed," E. Ziedvins, deputy prosecutor general of the Republic of Latvia, told the DIENA correspondent.

"It is a farce for the legal experts to cast doubt upon the validity of such a step by the government," T. Jundvis said. In his opinion, purchasing facilities from the military this way constitutes illegal privatization. Furthermore, privatization has not even been legalized yet. The Ministry of Defense has a number of documents (currently being summarized) making it possible to determine what firms have acquired military facilities and the paltry prices they paid. The Ministry also knows the names of those deputies whose avaricious interests are closely linked to the firms

which served as middlemen in the purchase of the military facilities. Unfortunately, neither at the meeting of the NFL faction nor in today's interview did the minister want to reveal the names of those deputies, stating that he did not want to accuse these people of anything.

In order for the Ministry of Defense to achieve its objective of the return of the military facilities, the Latvian Supreme Council must issue a ruling that the army of the former USSR may not be the subject of jurisprudence, because it is an army of occupation which has taken Latvia's property illegally and therefore nothing here can belong to it. Legal enactments of the Latvian Supreme Council recognize the army as a possible party to agreements. For example, a paragraph in the 5 November 1991 decision by the Latvian Supreme Council states that all economic transactions between physical and legal persons and formations of the USSR Ministry of Defense, the Border Troops of the USSR and so forth, deployed within the Republic of Latvia concluded after 24 August 1991 should be considered invalid. If the Latvian Supreme Council does indeed support the demands of the Ministry of Defense, then all transactions between private firms and the army will unquestionably be declared invalid.

"This is a very dangerous procedure, because it makes it possible to confiscate anything at all. It could reach a point at which vehicles can only belong to men, for example, with vehicles belonging to women subject to confiscation," Prosecutor General L.J. Skrastins commented.

In conclusion the fact should be stressed that the Civil Law of 1937 was restored to force on 1 September, Paragraph 3 of which states: "All civilian legal relations are considered in accordance with the laws in effect at the time of the revision or cessation of such relations. Existing legal rights remain unchanged."

Coastal Defense Forces Issue Dropped

93UN0218C Riga DIENA in Russian 15 Oct 92 p 1

[Article by Ilmar Punka: "There Will Be no Coast Guard for Now"]

[Text] Riga, 14 Oct—A coast guard will not be formed in Latvia for now. This decision was adopted today in the Latvian Supreme Council during the review of the second reading of the draft law on state defense.

DIENA had reported that when this draft law was adopted in its first reading, at the proposal of I. Imsis, head of the Commission on Environmental Protection, a paragraph was added which called for the establishment of an unarmed coast-guard service in Latvia whose missions would include mopping up after accidents, arresting smugglers, and so forth. Latvian military specialists expressed concern that this service might hamper the establishment of naval forces.

Today Deputy D. Abikis stated that the existence of a coast-guard service would not at all rule out the establishment of naval forces, since their functions would differ. He feels that protecting the waters and fishing stocks are an integral part of the state's defense. I. Emsis defended the

establishment of a coast-guard service, suggesting that it incorporate various existing services. According to I. Emsis, this combining of services would make their operations more effective. Deputies J. Bojars and L. Mutsins were among the most vigorous opponents. They maintained that mopping up after accidents and protecting fisheries have nothing to do with the state's defense and the paragraph on the coast guard should therefore not be included in the draft law. Defense Minister T. Jundzis agreed with J. Bojars and L. Mutsins, adding that a coast-guard service is possible only in rich states which can afford to maintain two naval services but that such a situation is entirely realistically possible in principle.

A total of 28 deputies voted to eliminate the paragraph on a coast guard from the draft law. The motion thus passed by a single vote, one more than cast for it in the previous balloting.

Russian Military Plant Conversion Discussed

93UN0218D Riga DIENA in Russian 15 Oct 92 pp 1,8

[Article by Dzintars Medenis: "The Military Plants Want to Hear the Opinion of Deputies of the Latvian Supreme Council"]

[Text] Riga, 8 Oct—Today both state and commercial structures want to acquire ownership of Latvia's 17 military plants with high-quality technical equipment. Due to complications in the talks with Russia on the elimination of Russia's military capability in Latvia, however, a unified concept has not been worked out for the use of the military plants.

I. Upmalis, head of the office for monitoring the withdrawal of the Russian Federation's armed forces, believes that the absence of a clearly-defined position on these military plants is not only alarming the workers but also complicating things for the state structures, since "no one is eager to take the initiative in this political, one might say, matter." Should the policy change, the initiators of specific actions could find themselves the objects of a witch hunt. V. Rantins, representative of the Ministry of Industry and Energy Resources, assesses the situation this way: "The workers at these military plants could soon find themselves unemployed." Representatives of the Commission on Industry of the Latvian Supreme Council take the following position: "When we receive reports on the situation at the military plants, we shall then make a decision."

This summer the Latvian Republic's Ministry of Defense expressed a desire to take over eight plants, but since accusations of military communism were made against the ministry, it has officially abandoned this intention. P. Jakobson, chief of the Supply and Armaments Directorate of the Ministry of Defense, told the DIENA correspondent, adding: "Like many commanders, I continue to believe that, should Latvia decide to add heavy military equipment to its defense forces, it would be very difficult to produce it here. It would have to be bought abroad at a high price."

Various structures, including mafia organizations, are presently attempting to acquire ownership of military

facilities. The high-quality equipment at the plants will soon be stolen or used for secondary purposes. J. Dinevich, a republic state minister and one of the main opponents of the Ministry of Defense, said the following: "Your concept is a typical military-industrial concept of the USSR. We need to take the route of state orders."

I. Upmalis believes that the most intelligent thing to do in the present situation would be to turn these plants into joint enterprises owned by Latvia, Russia and Western investors. In this case the Latvian partner would participate as the owner of real estate taken over by the state, Russia would be the owner of moveable property, and the foreign firms would supply the finances which the two partners lack. I. Upmalis commented that the managers of these plants would willingly go for such a decision to save the enterprises from bankruptcy.

The Office for Monitoring the Withdrawal of Russia's Armed Forces has the power of veto over the sale of products from the military plants outside of Latvia, since they are not registered with the Enterprise Registry of the Latvian Republic.

The directors of the military plants are seeking partners abroad. There is discussion about establishing a closed, joint-stock company, the Russo-Balt, out of a military plant on Matis Street in Riga, for example. The shareholders would be Russia, the Latvian Republic's Ministry of Agriculture and the London firm Artonne Limited. This military plant produces cross-country vehicles which have proved very useful in lumber operations, among others. One unit costs 200,000 rubles.

The British want some guarantees, however. They suggest that the plant be privatized. I. Upmalis has stated, however, that until the lawmakers make known their position on the military plants, the Council of Ministers cannot begin performing its functions in this matter.

Under the existing laws, for a military plant to be privatized it must be placed on the list of facilities to be privatized of the Latvian Republic's Council of Ministers.

V. Lisovoy, director of the plant, informed DIENA that Moscow has given its approval to the plan for establishing a joint-stock company. "With respect to Latvia's officials, we have no disagreements with them. They support us," said V. Lisovoy. When asked about the prospects for the Russo-Balt AO [joint-stock company], the director of the military plant gave an encouraging answer: "We have established good relations with our partners in Russia. We shall have the raw materials."

Foreign Minister Jurkans Resigns

93UN0218E Moscow KOMSOMOLSKAYA PRAVDA in Russian 30 Oct 92 p 1

[Article by K. Markaryan under the rubric "Retirements": "Monday Was a Difficult Day for the Ministry of Foreign Affairs"]

[Text] Riga—An appearance on Latvian television, on the traditional evening program "Monday Is a Difficult Day," by Janis Jurkans was what brought about the end of the

foreign minister's career. The minister criticized once again the members of parliament and the nonconformity of Latvian laws to the 80 international conventions to which the republic is a signatory. He said that certain deputies who work in international organizations are hushing up Europe's fears concerning the process of democratization in the Baltic region.

The minister's fate was sealed. On Tuesday morning the president asked for Jurkans' resignation, even though the week before he had vigorously defended his minister.

A great deal had changed in that few days, however. The fifth congress of the Popular Front of Latvia was held last weekend, at which the Cabinet of Ministers came under devastating criticism—specifically for its foreign policy. The national radicals, as we know, are demanding that we take a more rigid position in the talks with Russia. And they will get what they want. The position is becoming more rigid, but it is the Russian position. This is borne out by recent statements by the president and the prime minister of Russia, which reflect concern over the situation of the nonindigenous population of the Baltic area, and specifically Latvia.

Jurkans' resignation will most likely not help the Latvian MID [Ministry of Foreign Affairs] and will hardly save Prime Minister Godmanis, who is losing his closest associates in the original makeup of the NFL [Latvian People's Front] one after another. The membership of the Cabinet of Ministers no longer includes people who have not altered their original slogans on the basis of which, strictly speaking, they were elected to power.

Incidentally: Yesterday Russian President Boris Yeltsin halted the withdrawal of Russian troops from the Baltic states. His decision stemmed from deep concern over numerous violations of the rights of the Russian-speaking population in these states.

Immigration Council On Discrimination

93UN0223B Riga JUMALA in Latvian No 41,
22 Oct 92 pp 1,5

[Unattributed report: "Statement by the Immigration Council of the Republic of Latvia"]

[Text] During the previous year, the Supreme Council and the Council of Ministers of the Republic of Latvia adopted a string of legislative and regulatory acts, which not only ignored the interests of the citizens of Latvia, but even openly discriminated against them.

First of all, on October 8, 1991, the Council of Ministers of the Republic of Latvia adopted a resolution on the "Temporary suspension of registration of immigrants". Overall, it was a logical resolution, based on the August 21st constitutional law of the Supreme Council of the Republic of Latvia on the renewal of the independence of the Republic of Latvia, defining the restriction of free immigration by foreign citizens to the independent nation. However, it was illogical to force an addendum to the original bill on the editors, which reads as Point 1.4, establishing that persons are allowed to permanently

immigrate to the Republic of Latvia, who are returning from active duty in the Armed Forces of the USSR, if such persons, prior to being called for duty, were permanently registered in the Republic of Latvia, and have been retired from the Armed Forces of the USSR as of December 31, 1991, and have returned to the Republic of Latvia within six months of retirement. The wording is such—"retired from active duty in the Armed Forces of the USSR", i.e., this provides that, not only persons who were drafted for duty in the Armed Forces of the USSR from the territory of the Republic of Latvia, but also staff officers of the Armed Forces of the USSR are given the opportunity to reside in the Republic of Latvia after retirement from service. This point in the law is not based on any law or resolution adopted by the Supreme Council of the Republic of Latvia, and openly contradicts Point 1 of the Satversme of the Republic of Latvia, by establishing that colonists who have illegally entered the Republic of Latvia during its period of occupation, who have voluntarily joined the staff of the occupying military force, are given the right to freely choose the independent nation, which this military force was occupying, as their place of residence; and furthermore, these rights go considerably beyond the limits of allowing those persons to return, who had immigrated during the period of occupation, had left due to various reasons of a civilian, personal nature, and can no longer return to their family members, who reside in the Republic of Latvia, because this, naturally, is not provided for by the legislation of the Republic of Latvia.

These former USSR officers, who have received special privileges in comparison to their fellow citizens, evidently as a special reward for bettering the Republic of Latvia, for having served in the military forces occupying the Republic of Latvia, and thus "protecting" Latvia against imperialistic encroachment, most often receive work guarantees from the Republic of Latvia in the form of notices from the Ministry of Internal Affairs, which say that "particular indispensable specialists" will be provided with work within the system of the Ministry of Internal Affairs. Especially popular are the former political workers in the Armed Forces of the USSR.

It is hard to understand why the leadership of the Republic of Latvia is exerting so much energy by holding talks with the Russian leadership about the withdrawal of troops. Instead, they should be begging Russia to bring reinforcement contingents of military personnel into Latvia, so that staff officers can retire earlier, and thus all of the state structures of the Republic of Latvia can be fully staffed by particularly highly trained professionals.

The first steps in this direction have been taken already.

Second, there is Resolution 355 of August 25, 1992 of the Council of Ministers of the Republic of Latvia. It seems that Latvia must register persons retired from the Armed Forces of the USSR, not only if they have retired as of December 31, 1991, as defined by the above-mention

Resolution 266, but also if the persons have merely submitted a request for retirement from the force as of this date. The most interesting point is that Resolution 355, by default, circumvents the resolution adopted by the Supreme Council of the Republic of Latvia on June 9, 1992 on "Immigration of foreigners and those without a country into the Republic of Latvia". The latter law defines the order in which immigration of foreigners is regulated, and none of its paragraphs deals with the internal workings of the armed forces of Russia or any other nation. While this law became effective on July 1 of this year, the Council of Ministers has yet to review and adopt the regulatory acts, which are essential for enforcing the law. It is evident that this should be called calculated sabotage of the law.

Third, Point 4 of Resolution 377 of December 28, 1991 of the Council of Ministers of the Republic of Latvia supplements the regulations pertaining to the order in which the sizes of living quarters are granted. This regulation contains exaggerated concerns about retired military personnel and reads as follows: "Recognized as those, for whom it is essential to improve apartment status, and for whom living quarters must be provided out of turn, are the re-enlistees and officers of the Armed Forces of the USSR, who have retired or are on reserve call, if prior to being called for active duty, they were permanent residents of the Republic of Latvia territory." Resolution 254 Point 8.8 provides for these same rights for orphaned children! Resolution 377 Point 1 sets down the provision that a service apartment status is only applicable to those apartments rented by military personnel of the USSR, but does not pertain to apartments of military personnel who have retired or are on reserve call.

Fourth, there is the Resolution of August 27, 1992 by the Board of Officers of the Supreme Council of the Republic of Latvia on "Adaptation of Point 2 of the Law of the Republic of Latvia on 'The order in which the registry of inhabitants is to be applied'". According to this resolution, family members of former military personnel in the USSR Armed Forces are only those persons who reside with the latter. Therefore, it turns out that those family members who have received separate apartments (also out of turn, and in many cases, as subtenants, according to Resolution 678 of August 28, 1974 of the Council of Ministers of the USSR on "Regulations for the registration of various citizens", Point 3, Subpoint "d", who, after demobilization of this—subtenant—status, are registered with their families) are no longer considered relatives.

Fifth, there is the Bill of June 25 of this year of the Supreme Council of the Republic of Latvia on the privatization of apartments. This proposes that anyone, who has continuously lived in Latvia for five years, will be able to privatize his apartment. Therefore, those who immigrated in October of 1944, as well as those who moved into the apartments of people deported in 1941 and 1949, will be able to privatize these apartments. Also those hundreds of thousands who live in the new "micro-districts" (including retired military personnel) will be able to privatize their well-appointed apartments. The citizens of Latvia will be

allowed to privatize their ruins, cellars and communal rooms, because up until now, the colonists have had priority in receiving apartments.

Sixth, as of September 1, the Customs Department of the Republic of Latvia has started immigration customs control on Latvia's eastern borders. It has been reported that the collection of duty at the border crossings has not been possible to institute (while anyone crossing the border into Estonia must pay duty, which is expensive). At a period when Latvia does not have enough resources to pay its membership fees in the United Nations, when there is a budgetary deficit, we are declining to collect, according to modest estimates of the current influx of immigrants (200 persons per day x five dollars per person), about 300,000 dollars per month.

Seventh, there is the threat of the Law on "Certificates". Although the review for the second reading has been temporarily postponed, this does not mean that they won't achieve what they have hoped for. The article "Supreme Council economists thinking about certification", which appeared on September 18, 1992 in the newspaper "DIENA", quotes Supreme Council Deputy E. Krastins: "Tuesday's plenary session ended on a procedural note. This was due to the inactivity on the part of the largest faction of the Supreme Council (Latvian People's Front—LPF). The leadership of the LPF faction was not even present in the hall, and, therefore, the faction did not have a position." Thus, here is the real reason why the review of this bill was postponed, and it is not because the deputies were concerned about the interests of the Latvian citizens. We can expect that, in the end, everyone will receive certificates according to how long they have lived in Latvia, regardless of whether they are retired military personnel, or a party member sent over from Moscow, or a KGB agent—i.e., those who shouldn't be given any rights to Latvian property.

Eighth, the Passport Division of the Ministry of Internal Affairs is continuing to collect and supplement the data (information) base on Latvian citizens, created during the Soviet era. One of the basic components of this information system is the so-called Application for Receipt of a Passport (form No. 1). This is filled out by the citizen in order to receive the new passport of the Republic of Latvia. In fact, it is actually a police file card filled in by the citizen's own hand, on which the citizen leaves a sample of his signature, and to complete the matter, it duplicates information found in the registry of inhabitants, information which is absolutely non-essential for qualifying for a passport (maiden name, information about parents, information about spouses). In this manner, the Ministry of Internal Affairs is using the registry of inhabitants, and the citizen's own hand, to create (or actually, complement) its secret information base, which runs parallel to the registry, and whose creation and utilization is not regulated by law.

We are calling for the institutions, which are mentioned in the cases cited above, to give an open answer and explain

who has personally drawn up the documents mentioned, or has worked out the proposed bills and submitted them for approval.

It is essential to be consistent in defining the status of Latvia as an occupied nation. The occupying army should be called the occupying army, not only off the record, but also officially in the national documents. It should be clearly stated that neither the former occupiers, nor their family members, nor the party functionaries sent over, now have, nor will ever have, the rights of Latvian citizens (citizenship). Each and every national institution of the Republic of Latvia must first work for the interests of Latvia, and not yield to pressures that are attempting to neutralize this work.

Taking into consideration what is mentioned above, and the existing tendencies in social processes (see the notice by the Latvian Democratic Work Party on the immediate need to initiate naturalization), only a combined and unified action in defence of the interests of the Republic of Latvia and its citizens can produce results.

In 1990, representatives from the Latvian People's Front, the Writers' Union of the Latvian People's Front, the Latvian National Independence Movement, the Council of Latvian Associations, the Council of the People's Deputies, and other organizations, founded the Immigration Council of the Republic of Latvia. During the process of the Council's activities, the essential prerequisites for the creation of the Department of Citizenship and Immigration were formed. However, the founding organizations have prematurely concluded that the creation of this department will solve all problems. It must be acknowledged that the department is an executive institution of the state, and it can legally operate only in accordance with the legislation in effect, and with the state. Therefore, considering that regulatory acts, which are discriminatory to the interests of the citizens of the Republic of Latvia, are being drawn up and adopted, we consider it necessary to maximally activate the Immigration Council's work.

We invite those organizations, whose goals include promoting the priority of civic awareness for the betterment of Latvia, to participate in this unified work. Information on the Immigration Council regulations can be obtained from the branch district leaders of the Latvian People's Front and Latvian National Independence Movement.

Economic Performance Statistics Cited

93UN0223A Riga DIENA in Latvian 22 Oct 92 p 7

[Article by Valdis Freidenfelds: "Improvements in Industry in September: The Real Gross National Product Has Declined By Forty Percent, In Comparison To Last Year"]

[Text] Riga, Oct 19. The gross national product for the first nine months of this year declined by 40%, in comparison with the same period of last year, in commensurate prices (in the first six months of this year, in comparison with the first six months of the prior year, it had "only" declined by 32%). This information was released by the State Statistical Committee. However, in September of this year, the

situation improved slightly for industry—by 5.5 billion rubles for manufactured goods and services—i.e., 11.1% higher than in August, in commensurate prices. At the same time, in comparison with September of last year, the production of goods decreased, nevertheless (by a full 39%).

Members of the Statistical Committee told DIENA that the comparatively good results for September are not grounds for any particular optimism: data show that every year, September is much more productive in industry than the summer months (agricultural products are being processed, etc.).

As of October, the wholesale price for manufactured goods and services in industry was 104 billion rubles (as of the beginning of September, it was 88.5 billion rubles), while, in comparison with the first nine months of last year (in commensurate prices), production decreased by 31.6%, or close to 25 billion rubles. The major decline occurred during the last three month period.

Nevertheless, certain individual branches are faring better this month. In comparison with August of this year, production increased in September for the electrical industry (by 11%), the ferrous and non-ferrous metal industries (by 34%), the machine building and metal working industries (by 8%), the building materials industry, the forestry, timber, cellulose and paper industries, the food industry (as much as by 25%), light manufacturing (by 30%), and the glass, porcelain, and glazed pottery industries. In turn, production continues to decline in the fuel, chemical, and chemical oil industries, as well as the flour, groats, and mixed animal feed manufacturing enterprises. Furthermore, in the past nine months, 450 enterprises, or 72% of the total, have scaled down their production. The machine building and metal working industries have decreased their production by 6.4 billion rubles (35%), and the food industry by 6 billion rubles (27%). Ninety-one enterprises have already decreased production by 20 to 30%, 82 enterprises by 30 to 40%, and 25 enterprises by 70 percent and more. Only 28% of enterprises have been able to maintain their level of production or even increase it.

In the first nine months of this year, in comparison to the same period of last year, out of 113 types of production economically significant for Latvia, production has already been decreased by 100 types (99 as of August). Meanwhile, in September, the unsold production volume increased by one billion rubles, reaching 11.7 billion rubles, or 81.4% of the September production volume. The machine building enterprises account for most of the unsold products—worth 4 billion rubles. In light manufacturing and the food industry, the value of unsold products is said to equal about 2 billion rubles. The Daugavpils cable manufacturing plant has about 640 million rubles worth of products stored in its warehouse awaiting a buyer's market (524 million rubles worth in August). "Rigas tekstils" manufacturing union has about 516 million worth of such goods, "Alfa", about 365 million worth. "VEF" has managed to reduce its store of goods—from 430 million rubles worth in August to 410 million rubles

worth. In September, in connection with the limited resources and raw materials, 103 enterprises (105 in August) had to institute forced work stoppages, and 51 of these were forced to stop work over a number of days. As of October, work stoppages were the reason for the loss of 2.6 million man-days of working time (2.1 as of September). In turn, this means that as of October, 13.4 thousand industrial workers did not work a single day and were the hidden unemployed (12.6 thousand, as of September). For forced work stoppages as of October, the value of these workers' wages was calculated to be 96 million rubles (67.1 million rubles, as of September), and of this amount, 28.9 million rubles was only for September (19.9 million rubles for August).

Agriculture

A reduction in income of inhabitants, increased prices of energy resources and technology, as well as a reduced buyer's market, have also had an impact on agriculture. As of October of this year, 1.3 million tons of milk have been produced (1.1 million tons, as of August), which is 10% lower than in the first nine months of last year. Two hundred and seventy thousand tons of meat, as live weight (236,000 tons, as of August) and 468 million eggs (426 million, as of August) have been produced, which is 11% and 16% lower, respectively, than for the first nine months of last year. Primarily, the reductions have affected the statutory company farms. In comparison to the first nine months of last year, they have reduced their milk production by 262.5 thousand tons, or 28%, meat production by 41,000 tons, or 20%, and the number of eggs by 104.7 million, or 21%. At the same time, in comparison with the prior year, the production of agricultural products has increased in individual farms. In September, as compared to August, there has been a slight reduction in the national consumption of livestock products and milk. While the consumption of cattle and fowl has declined by 200 tons, the consumption of milk has declined by 9,000 tons. As of October, the total national consumption amounted to 132,000 tons of cattle and fowl, and 874,000 tons of milk.

Income of Inhabitants

A parallel process to the decline in production is the increase in prices. In comparison with August, prices have increased by 12% in September. In August, as compared to July, they increased by 16%. In comparison with August, the prices in September for food products have increased by 11%, for clothing—by 10%, for essential household goods—by 29%. Among individual types of products, prices in September have increased for meat and fowl by 11%, for sausages and preserved meats—by 16.3%, for fish products—by 20.2%, for milk products—by 15.2%. According to the calculations by the Statistical Committee, the so-called gross minimum consumption will be increased by 550 rubles. If we were to make calculations, not based on the average purchase prices, but based on prices for those goods and services that are the most inexpensive, the most readily available, and are in greatest demand, then the gross minimum consumption for September would be 4,542 rubles. Of this amount, it is

necessary to spend 2,457 rubles just on food products. In addition, 1,387 rubles have to be spent on non-food items, and 524 rubles—to pay for various services.

In comparison with December, 1991, prices increased 6.44 fold in September, while the income for those working in state enterprises, organizations and establishments increased by only 5 fold. The average salary in September for those working in state and municipal enterprises and organizations was 13% higher than in August, increasing to 5,655 rubles (in budget-financed establishments, to 4,400 rubles, increasing by 18%). For self-supported enterprises and organizations, the average salary in September was 6,204 rubles, increasing by 12% from August.

Taking into consideration the rise in prices, the volume of goods sold in September remained unchanged, as compared to August. Furthermore, in comparison with September of last year, 45% less goods were sold in September of this year (in commensurate prices).

Chairman of Democratic Center Party Program

93UN0220B Riga DIENA in Russian 16 Oct 92 p 2

[Interview with Juris Celmins, Latvian Supreme Council deputy and chairman of the Provisional Board of the Democratic Center Party, by Zigfrid Dziedulis; place and date not given: "Time to Think Realistically"]

[Text] Instead of Introduction:

Juris Celmins is a graduate of the History and Philosophy Department of Latvian University. He has worked as director of the Tukums regional museum and taught at Tukums Secondary School No. 2; he has edited the newspaper TUKUMA ZINOTAYS (TUKUMSKIY VESTNIK) and held various public jobs. He is one of the founders of the Tukums branch of the NFL [Latvian National Front]. He is a Supreme Council deputy, and member of the commission of the Supreme Council on public education, science, and culture. He became a supporter of the Democratic Center Party last summer.

[Dziedulis] How would you characterize the political situation in Latvia?

[Celmins] Compared to the other Baltic countries, today Latvia is experiencing a most difficult political situation. Lithuania passed a law on citizenship which has been offered to all permanent residents of the Republic. Estonia has selected a different and much more radical approach: Only citizens of the Republic and their descendants participated in the recent elections. We, meanwhile, are marking time.... The Law on Citizenship has still not been passed.

[Dziedulis] A great deal is lacking....

[Celmins] Yes. Actually, no legislation has been drafted consistent with the current situation and the needs of the Latvian state.... The 1922 Constitution has been reactivated but, for all practical purposes, it is not functioning. There is no cabinet consistent with that Constitution, there is no constitutional court, and other state structures are lacking.

[Dzedulis] What has the Supreme Council been doing about this?

[Celmins] Currently it is as though we in the Supreme Council seem to have developed an inferiority complex. This applies most of all to deputies of the Satversme faction, but they are not alone. Among the public as well the view prevails that the Supreme Council, in general, has no right to amend the Constitution. Under the influence of the national-radical movement, and in the expectation of the new elections, most of the deputies have assumed unclear positions. With increasing frequency the Supreme Council unable to pass resolutions on serious matters, spending entire days in discussing secondary issues. The legal development of the state has come to a halt.

[Dzedulis] Is this a parliamentary crisis?

[Celmins] Yes. This is the final deadline for deciding what to do next. We shall either continue with our work or there should be elections for the Saeima. I can see no other solution.

[Dzedulis] In your opinion, what is the reason for the crisis, not only the crisis in the Supreme Council but throughout our entire society? What went wrong after 1990, when it seemed to all of us that the hallucination of communism had disappeared once and for all and that times would be better in the future?

[Celmins] This is a difficult question and it would be difficult to answer it simply.

I would classify the reasons for the crisis into objective and subjective. The objective reason was the economic, political, and moral breakdown of the entire former Soviet empire, which affected not only Latvia but also all the former Soviet colonies in Eastern Europe. The objective reason is the legal vacuum which was formed after socialist legislation was revoked.

Many are the subjective reasons which vary from one country to another. A strong national-radical movement developed in Latvia (the 18 November Civic Union Congress, the Conservative Party, and so on) which requires of us officially to move forward: restore the Constitution regardless of the changes which have taken place in Latvian society over the past 50 years.

[Dzedulis] Have you ever considered your own contribution to the outbreak of a crisis situation in the Supreme Council?

[Celmins] I have. Unquestionably, I too bear my share of responsibilities for everything which has taken place within the Supreme Council over the past three years. Initially I entirely agreed with the course chosen by the Supreme Council leadership and the NFL deputy faction to which I belong. There were no differences of views among us.

[Dzedulis] When did such differences appear?

[Celmins] When the Supreme Council adopted the first draft of the law on elections. True, the second draft was an improvement but the improvement was insufficient. The

draft law stipulates that any group of citizens, whether a society of fishermen, a philatelic club, or any other, could submit its ticket of candidates for the Saeima. This means that with such a law we would be repeating all the mistakes made by the Latvian state until 1934.

I cannot agree with the Supreme Council decision on the matter of citizenship. It seems to me that to promise citizenship to people who have lived in Latvia for 16 years and then to renege on this promise is dishonest.

[Dzedulis] Was it at that point that the idea of founding the Democratic Center Party appeared?

[Celmins] Yes. However, this idea is the result of collective efforts. Most of those same public figures who, in their time, participated in the founding of the NFL took part in the creation of this party. In the Supreme Council we account for 15 members: Inte Calitis, Janis Skapars, Ivar Olerte, Peteris Lacis, (Vishe) Seleckis, Dajtis Ivans, etc. We are supported by many members of the National Front who, together with the deputies I mentioned, were politically active. In founding the party, we have in mind not to obtain new profitable positions in the Saeima but to find a solution to the crisis in which Latvia finds itself today. Who would do this if not we?

[Dzedulis] Could this mean that you and the other National Front members you named were disappointed in the NFL?

[Celmins] I unquestionably rate as positive the work which the National Front did for the good of Latvia. The situation which prevails in the country today is entirely different. The headlong stratification of society into prosperous and poor, the decline in the living standards of the people, and a variety of political and economic interests inevitably affected the NFL. Therefore, the unity which was inherent in that movement at the beginning of the awakening no longer exists.

In my opinion, today the NFL has shifted to right-wing positions. Possibly this too is one of the reasons for which we acquired the desire to have a party which would express centrist and moderate views. However, this in no case means that we, the founders of the new party, would like to spoil relations with the NFL. The draft statutes of our party stipulate that any member of the national Front could be a member of our party. We also willingly accept those who, for one reason or another, have withdrawn from active work in the National Front.

[Dzedulis] A number of parties existed in Latvia in the 1920s, most of them small and without any major influence in society. Something similar seems to be happening now. The reputation of the parties is not all that high among the majority of the public. What is the Democratic Center Party hoping for?

[Celmins] Unfortunately, the prestige of parties has never been quite high in Latvia. One of the reasons is remembrance of the political situation in Latvia in the 1920s and 1930s. Another is the communist party's dictatorship and terror, which ruled Latvia for the 50 post-war years and which totally distorted the concept of parties. The parties

which were created or are about to be created should make a great effort to prove that they have or could have very great importance in terms of the political development of the state.

As we drafted the program and bylaws of the Democratic Center Party we discussed at length the issue of which social stratum's interests will be supported by this party. In the final account we reached the conclusion that the party will express and defend the interest of the majority of the people. I believe that the majority of Latvian society is precisely such—moderate, with centrist leanings.

[Dzedulis] The draft party program has been thoroughly formulated and indicates the most important problems which Latvia must resolve in its advance toward full political and economic independence. However, it also includes a number of general views and high-sounding statements. What will distinguish your party from other parties, such as those of the right, for instance?

[Celmins] The differences are numerous and substantial. As I already said, the right-wing parties and movements are struggling for a formal Latvian development, in their wish to restore Latvia such as it was until 1940. This, however, is unrealistic however alluring it may seem.

Our party is distinguished from the others by its interpretation of matters of citizenship. We believe that all permanent residents who speak Latvian, who are loyal to the Latvian state, and who have lived here no less than 10 years could be granted Latvian citizenship. We also believe that naturalization could begin even before elections for the Saeima. In order for naturalization to have a legal base the law on citizenship could be decided on the basis of a referendum.

We also have our own specific viewpoint on the question of land ownership. Now, according to the Supreme Council law, in Latvia land ownership can be granted only to citizens of the Republic. However, this would hinder the introduction of foreign capital, create uncertainty, and worsen the economic crisis. Such laws must be reconsidered.

[Dzedulis] What about on the left?

[Celmins] Let us take as an example the Latvian Democratic Labor Party which favors the creation of an entirely new Latvia. Our party believes that the most essential principles in the legislation of the first free Latvian state should be borrowed and enriched with the experience acquired in the post-war years.

[Dzedulis] Consequently, in order to gain citizenship, it would be required to have lived in Latvia for a period of 10 years. However, this means that hundreds of thousands of people who moved to Latvia since the beginning of the 1960s as the result of Soviet colonial policy would become Latvian citizens?

[Celmins] It would be ideal if we could make Latvia a multi-ethnic state. However, this is impossible. Ever since ancient times other ethnic groups have lived in large

numbers on Latvian territory because of its convenient geographic location. Such was the case of the first Lithuanian state as well.

I do not believe that anyone who has lived 10 years in Latvia would acquire citizenship in one fell swoop. There are various ways to control this process. However, the final time for discussing this project "with a clear mind" has arrived. This includes the question of what will become of Latvia in the future.

One option is for Latvia to become a one-nation country. It would be a nation whose state language is Latvian but which would consist of members of all ethnic groups living in Latvia. The United States is an example of this.

The second option is for Latvia to become a state of two separate communities—Latvian and Russian-speaking. Postponements and complications related to nationalization would be unnecessary. We have already shown our preference for this option which, in my view, is not the best. It means that in the future we shall remain a Russian appendage rather than an independent state. It means that in the future as well our eastern neighbor, under the pretext of defending the interests of the Russian-speaking community, will interfere in our lives and dictate its own conditions in politics and economics.

[Dzedulis] Why have you preferred to belong to a party of the center?

[Celmins] I admit that my decision to support this party was not sudden. Initially I sympathized with the national-radical movement and I was a delegate to the Citizens' Congress and participated in the work of the sessions of the congress, and so on. However, as I followed the development of political events, I became increasingly convinced that the path followed by the national radicals was unrealistic.

Let me add that the fact that I am the temporary head of the new party does not mean in the least that I have leadership aspirations. When enthusiasts who supported the creation of this party met for the first time, we agreed that this party will not be linked to the personality of a single individual. We shall try to implement the principle of collective leadership.

[Dzedulis] In your view, what is the main objective of the new party?

[Celmins] The main task of the party is to build a democratic state. We must borrow all the essential fundamental principles of the legislation of free Latvia. At the same time, however, we must make use of the experience acquired in 50 years by countries with a developed democracy, for life went on even after 1940.

[Dzedulis] When and where will the party be officially founded?

[Celmins] The constituent congress of the Democratic Central Party will take place on 17 October 1992 in Riga, in the Dajiles Theater.

Democratic Center Party Formed

93UN0220D Riga DIENA in Russian 22 Oct 92 p 2

[Article by Ajnar Dimants, DIENA commentator: "Democratic Center Party Founded"]

[Text] Both within and outside the present parliament, gradually, various political forces are taking shape. The Democratic Center Party (PDTs) which was founded last Saturday is represented by a group of deputies in the Supreme Council, a rather large group at that, consisting of about 15 people. The strengthening of groups of political parties within a loose parliament is a stabilizing factor. There are reasons to believe that the appearance of this party will help to politically shape our parliament as well.

The appearance of the PDTs could be considered a legitimate outcome for at least two reasons. First, as a manifestation of an autonomous political force, so far liberalism was poorly represented in the political spectrum. Second, small and medium-sized business entrepreneurs, who could become the main promoters of economic liberalism—unlimited private initiative—so far actually lacked their own political base and popular politicians.

For that reason the Democratic Center Party has the opportunity, to begin with, to occupy an empty political niche (unless Club-21 or any other formation supported or created by the club decides to participate in elections for the Saeima); second, to have the support of entrepreneurs. The third aspect to which the founding of the party is related is the political regrouping within the National Front, with a leaning to the right, as well as in the parliamentary faction of the NFL. The question is whether the PDTs would be able to offer a program not only for the solution of the future political tasks but also for the future.

The PDTs does not intend to lean to the right or to the left. The statements made by the three party leaders at the constituent congress convinced the others that the middle grounds have been found. To balance the right and the left flanks in the country's political life and to find a way of uniting the people's forces was the way the party's role was described by Ilmar Bisers. Juris Celmins added the following: "Political center and liberalism are, essentially, identical concepts." He emphasized that the party must become familiar with the theoretical concepts of liberalism. Janis Skapars said that small and medium-business entrepreneurs and the intelligentsia are the forces which could achieve a turn in the development of society. Indeed, the social middle stratum—entrepreneurs and intellectuals (primarily not luminaries) and people from the provinces—were quite extensively represented at the congress. Also present were supporters of self-government and local council deputies.

PDTs ideology is the ideology of liberalism with a national leaning. In accordance with the party's slogan of **Democracy, Stability, Development of the Country**, the delegates of the constituent congress unanimously (with only two opposing votes) acknowledged that mastery of the Latvian language was a necessary prerequisite for citizenship, for a stable Latvian state, according to the PDTs, is a guarantor for the development of the Latvian nation. In turn, passing

a law on citizenship and naturalization prior to the elections for the Saeima would favor the integration of the non-native population. However, "if the Supreme Council is not prepared to assume such a responsibility, it should set in the immediate future a date for elections to the Saeima." Be that as it may, the fact that the party announced in its subsequent address that it was in favor of separating national self-respect from manifestations of national superiority and national intolerance, could draw to it not only members of non-native ethnic groups, many of which have already joined the PDTs, but also Latvians who support a national law-governed state.

The party believes that the development of statehood of the Latvian Republic must be based on the principles of democracy and multiparty parliamentarianism. To this effect it is offering a clear program: passing in the immediate future laws on parties and elections on all levels, stipulating that the law on elections for the Saeima should call for a proportional (by tickets) electoral system with a four-percent minimum for representation in the Saeima. A multiparty system must become the guarantor for the manifestation of the political will of the Republic's population. This is perhaps the only way to demand of the deputies and the government a show of political responsibility.

In the future, the deputy group of the Democratic Center Party should display great activeness in promoting the passing of its draft bills by the Supreme Council. The other political forces as well agree that a civil society must be created and that the state must defend the legitimate interests and rights of all residents of the Republic, regardless of ethnicity. A similar position was expressed by Club 21. This week, the NFL congress will define its approach to elections for the Saeima and whether it will remain a single force. It is possible that its ranks may include allies of the Democratic Center Party. The creation of such a party is extremely important, for this leads to the creation of a party system in which each party has its own political niche.

We must acknowledge that the PDTs is offering a liberal alternative to the national conservatives. However, for the time being this is not a coordinated and specific program for the development of the Latvian national economy. The party's program reflects liberal trends: the fact that at all times the state must guarantee the inviolability of legitimate ownership; the following must be done to assist economic activities: shorten the length of the time for submitting claims for the return of property and give preference to those who can ensure the further development of the privatized enterprises; grant opportunities to foreign entrepreneurs who are investing capital in sectors important to Latvia by granting state permission to become landowners; especially encourage the activities of small and medium-sized enterprises; contemplate the building of an electric power plant "reliable both in terms of nature and people," which could eliminate Latvian dependence on importing electric power; make corresponding reform in the Republic's industry. However, could we consider as conflicting, for example, the demand

to lay as the foundation for the economic leadership of the state an efficient policy of state orders, or else is there an intention to reduce the administrative role of the state? Also needed is a concept for streamlining the self-government system.

'Club-21' Chairman Discusses Program

93UN0220C Riga DIENA in Russian 22 Oct 92 p 1

[Interview with Valdis Birkavs, Latvian parliament deputy chairman and vice president of Club-21, by DIENA commentator Ajnar Dimants; place and date not given: "The Telephone Must Ring at the Right Time"]

[Text] "Club-21 is a voluntary public organization which aspires maximally to contribute to the political, economic, and cultural blossoming of Latvia as an independent and sovereign state, making it a modern European state with a high living standard and stable civic consensus," the first point of the Club-21 program emphasizes. The club "promotes individual initiative, thus contributing to the development of free market relations in the economy in order to achieve living conditions worthy of the individual. It also supports measures in the areas of culture, education, science, arts, and sports," we read in the same first (out of 21) points of the bylaws. It is stipulated that in order to attain its objectives, this "public organization... will popularize the ideas of liberalism and conservatism." It stipulates that the state must serve the interests of the individual and not the opposite. The club's symbol is the number 21, to which the word "Europe" is added: Europe-21. Officially the members of the club were chosen and 75 members were accepted. They are noted personalities who include also the Latvian Supreme Council deputy chairman.

[Dimants] What is the club's view of the future—both its own and that of the state?

[Birkavs] I hope that no single political organization or virtually no single individual in Latvia today has any particular doubts as to whether or not we should follow the path of democracy, develop a market economy or contribute to the development of education and support culture, the arts, and the sports. No one questions this. Differences begin on the question of the method to be adopted to achieve these objectives. We have thought a great deal about it and not only on Friday evenings, when our club meets.

The unwritten law of the club is that one must be "for" and not "against." One must also prove this viewpoint not with words but with deeds. The club does not accept criticism or casting aspersions on what has already been done or being done by others. Many people are searching and, therefore, making errors but these are honest errors. There also are painful doubts. We do not claim that all of our solutions are exclusively right and error-free. The club encourages us to think, and in the course of free debates frequently a more accurate attitude toward one issue or another becomes crystallized. However, this does not mean that

any view that has been adopted is immediately and thunderingly announced, for the entire world to hear. Convictions must be given time to mature. All in its proper time. Nonetheless, it seems to me that in the attitude of the club toward life and toward Latvian problems, it is one of the slogans of Zenta Maurini on the hygiene of the spirit that prevails: "One must create a home." One must not question and mark time but act and dare.

[Dimants] Have we determined the path which must be followed by Latvia?

[Birkavs] Programmatic documents have been drafted in the areas of economics, culture, and the development of democratic institutions. We discussed them in greater or lesser detail but did not include them in the club's documents. All we published were a few essays and speeches delivered at the club (Leon Briedis, Guntar Gotins, and others). We are trying to support financially some steps of essential significance (to the extent to which the club is able to do so). The club members do not doubt that the participation of Latvian views in world educational centers must be "expanded." That is why we are supporting the 21 x 21 youth club. Capital investments in education are the only long-term way through which Latvia can join Europe in the 21st century. It must join Europe with an intelligent and educated people who will not have to be instructed as to what they must do and who will know what to do and how to do it. Even one Latvian youngster per university throughout the world would mean that in a few years we shall no longer have to face the world like beggars.

We must support education, culture, the arts, and sports. Usually, these are not highly profitable sectors (although under certain circumstances they too could become profitable). It is only those with money who could provide support. The state will have money when the entrepreneurs will feel that their hands are untied and the ground under their feet is firm. Everyone is interested in stability but, above all, those who have something to lose. There are issues about which too much talk is useless, one simply must act. That is why we are doing that which the state has no funds to do: We sponsored a children's basketball tournament, the Arsenal motion picture festival and philanthropic activities, and instituted the Juris Podnieks international prize. Podnieks was elected vice president of our club for perpetuity, under the slogan of Freedom and Responsibility. Should the club take over from the state to a certain extent? Naturally, no. However, if the club members have developed a given idea they could implement it through their own structures.

Is it possible to say at present that the club has a strong lobby in parliament? In my view, no such lobby exists. The club applies the principle of American yachtmen—no papers. It is absolutely out of the question for any kind of document to be signed in the club, in the friendly atmosphere which prevails in it! One can participate in the club with ideas only. Would such ideas remain locked in our minds or be reflected in parliamentary votes or influence the policy of ministries (the club members include ministers and deputies)? Possibly, yes. Impossible to say to what extent. These are individual decisions.

[Dimants] If you have common views and ideas and, for the time being, you are unable to implement them fully such as, for instance, in the field of education, have you thought about how, in the future, you would like to increase the influence of the club on the life of the state in order to achieve this?

[Birkavs] I recall a scene from a movie in which someone submits a request to the head of an establishment. The chief picks up the telephone and settles the whole problem in a minute. The visitor, embarrassed, asks: "Why did you not settle this thing eight years ago? All this time I have been coming to you with this problem." "You see, friend," the chief answered, "even a telephone call must be made at the right time!"

There is a right time for everything. The task of the club is to formulate the type of attitude toward Latvian problems dominated by common sense and reflecting the interests not only of individual groups but also of interests which make possible all of Latvia to advance. No one in the club is promoting any kind of international or mafia-governed Latvia. It is precisely the opposite, everyone in the club clearly realizes that in order to support the national idea huge funds are needed. The preservation and development of the Latvian mentality, Latvian language, Latvian rural landscape, an ecologically clean Latvian nature, and come out with a Latvian culture, and in order to support it (it would be nice, for example, to organize a major songfest) we need national orientation and, naturally, a rich state. This can be attained through a freer economy. We must not lock ourselves within a narrow national frame and, on this basis, try to preserve our national culture and mentality. There must be a balance in such things. This must be accomplished in such a way that the majority of Latvian people are satisfied!

[Dimants] Could such a program be used in the elections?

[Birkavs] Latvia has many political parties and efforts have been made to involve us in this activity. If anyone wishes to increase his political capital by defaming the club, this becomes his business. I already said that we are "for" and not "against." However, the real situation must be understood: The parties will not become stabilized in the near future to an extent which would guarantee democracy. Unfortunately, this will not take place in the present active process of the founding of political parties, even if a law on political parties which would be most propitious for their development were to be passed. Let us remember, however, the hundreds of thousands of people who must make a decision as to what party they should vote for. Will the people be able to orient themselves among these political nuances? In my view, today even the politicians are unable to do so properly.

I think that there will be a political force which the club will be able to support morally and even materially, although rumors of our excessive wealth are grossly exaggerated. The only support which we receive infrequently is from the Latvia in Europe Foundation, with which we have established contractual relations. The club includes several representatives of big and rich companies. Good

deeds do not need advertising. Advertising may be needed for the interesting ideas which frequently originate in the club.

[Dimants] If you have some political and economic views based on the interests of a group, or in economic or political circles, you are therefore a party. Why not announce this openly?

[Birkavs] We are not a party and I believe that there will never be a party entitled Club-21.

[Dimants] In the opinion of the club, how should the issue of citizenship be resolved?

[Birkavs] Each one of us has his own opinion on this problem and, true, within the club no opinion has taken shape. Naturally, we shall not support any extreme solution.

[Dimants] If you have not formulated your views on one of the main political problems, does this not mean that you are surrendering the initiative to other political forces?

[Birkavs] The members of the club say that "we are not struggling for power, we are struggling for influence." Let me say that we are struggling for ideological influence. Many ideas have not matured yet. The parties have already formulated their slogans and programs but the parties themselves, unfortunately, are still very weak. One must be confident that whatever a party or movement may be calling for is the right way and that it is precisely the representatives of that party who are the people who will be able to implement such appeals. It is up to the voters to make such decisions.

Commission Chairman on Language Law

93UN0220A Riga DIENA in Russian 15 Oct 92 p 2

[Interview with Dzintars Abikis, chairman of the Latvian Supreme Council Language Commission, by DIENA commentator Jolanta Matskova; place and date not given: "A Unique Situation Requires a Unique Solution"]

[Text] [Matskova] The public interest in the issue of state language is fluctuating up and down. Currently, certification is in full swing; the state language inspectorate has started working. This indicates that the Law on the Language is gathering strength. A number of people are excited. Once again there is talk of discrimination against the non-native population and violations of human rights in our country. Recently, a group of competent experts from the Council of Europe visited Latvia. What assessment of the language situation was made by these outsiders?

[Abikis] It was a very good thing that we were visited by Europeans, for acquiring a real idea of what is taking place in our country is possible only on the spot. There is virtually no precedent elsewhere in the world of such rapidly developing extensive migration processes as took place in Latvia and Estonia in Soviet times, when the ethnic environment was being destroyed. There is no other nation in Europe with a population smaller than in World War I. During the period of occupation, more than four

million people moved to Latvia (most of whom, naturally, have already left). Whereas in 1940 there were 230,000 people from Eastern Slavic ethnic groups living in Latvia, today their number exceeds 880,000. During the peak migration year—1987—nearly 140,000 people moved to Latvia, i.e., one-tenth of the total number of Latvians. These figures made a very shocking impression to Council of Europe experts. They knew little about the mass deportations and the fact that more than 120,000 Latvians, primarily members of the intelligentsia, were forced to emigrate to the West by the end of the war, afraid of the communist menace. The guests had the opportunity to study the distressing consequences of such a policy: In a number of areas in Latvia the Latvians found themselves in the minority. A similar situation may be found in the seven largest Latvian cities. Of the Riga population, Latvians account for no more than 37 percent; in 12 microrayons the number of Latvians is between six and 16 percent. The ethnic environment has been destroyed and, therefore, so has the environment for the use of the language. The Latvian language found itself in a situation in which it could be used only within the educational system, in culture, and in the family, but virtually expelled from governmental administration and various economic sectors. In some areas of education of strategic importance, such as navigation, and air transportation, training could be acquired in the Russian language only. As a working language, Latvian was retained in only one department—the Ministry of Forests.... The world public was virtually ignorant of such facts familiar to all of us. Therefore, it was a good thing for them to visit the RAF, which is a typical industrial enterprise employing primarily migrants, as well as Kuldiga, in which the ethnic environment had been preserved essentially, for that city had remained virtually free from migration processes.

The experts also studied our legislation, first of all the Law on Languages. Not a single one of them expressed negative views on our legislation and saw no violation of human rights. At the press conference, in answer to a question asked by a member of our respected opposition, one of the members of the expert council, a Croatian from Austria, even emphasized that knowledge of the language of the state on whose territory a person lives is viewed throughout the world self-evident. It would be inconceivable to have a situation in which an employee of a state establishment could not speak the language of the state. This is elementary, and does not constitute a violation of human rights. Therefore, the EC experts were unable fully to understand the situation which had developed in our country.

The delegation included a representative from Wales: The Welsh are a traditional minority in Great Britain and their rights have been secured by law as compared to the rights of nontraditional minorities such as, for instance, Indians and Pakistanis who migrated to Great Britain recently. In Great Britain there is no single school offering instruction in Hindi, any more than Germany has schools for the Turks. In Latvia, however, the state budget pays for schools which are providing training not in the state language. The guests were even further amazed to learn

that in prewar Latvia as well (the 1936-37 school year) there were 429 public schools for children belonging to ethnic minorities. Such an impeccable policy toward minorities as existed at that time in Latvia and Estonia could be found nowhere else. Even today we have something to be proud of: Latvia was the first of all the republics of the former USSR to open a Jewish secondary school. We have Polish schools, Sunday schools in 11 languages and, something which amazed the experts, even Gypsy classes in Ventspils. We could set an example to others in this respect.

We described to the guests, in general lines, the work of the mechanism of certification of knowledge of the state language. Their attitude was as follows: This is a unique situation, for which reason the solution to the problem must be equally unique, and the specific solution to be chosen was self-evident. The traditional national minority in Latvia is that of the Livonians. But we cannot consider the Russians a traditional minority in places such as Lode, Olayne, or Ventspils, areas where, in the past, there were either no cities at all or there were no non-native populations. Today most of the non-native population in Latvia consists of immigrants who came and occupied the country coming from the occupying country, and the passing of a law on the state language is necessary in order to eliminate the consequences of such occupation.

[Matskova] How do you assess the course of certification of fluency in the state language in Latvia?

[Abikis] The process is developing objectively, with the kind of difficulties which could be anticipated, for such mass certification is of a unique nature. We must see to it that with the completion of the certification we gain simply a knowledge of the situation. The main thing is for the people to learn, to master the Latvian language. Certification provides discipline. Everyone must realize that the requirements of the Law on Language must be implemented. The labor legislation stipulates that workers who do not speak the state language with the required fluency could be fired; the people must realize that they may be replaced at any time. One cannot be a practicing physician in Latvia without knowledge of the state language, for in Latvia there are virtually no areas without a native population. I keep getting letters describing cases of people becoming disabled only because the physician could not speak Latvian. Our physicians who emigrate to the United States are not allowed to practice until they have passed an English-language test. This is a basic requirement. Sooner or later the language must be mastered. Naturally, the approach to such mastery should be sensible. There are areas of the national economy which are experiencing difficulties with specialists such as, for example, the criminal police force, and in such cases the people should be encouraged to master the language and be paid a wage differential, while people who have not mastered the language to the necessary extent would be paid less. There are areas, however, in which the knowledge of the state language is necessary as of now, and in this case no concessions are possible. We are drafting a law on state employees. However, this law will not be passed soon and

we shall have to set a specific date after which only people fluent in the language of the state could become state employees.

I would also like to emphasize the role of the information media in the introduction of the state language. The main thing is to emphasize the positive. There is an exceptionally high number of positive examples which are not being written about. I regretfully note that it is the negative cases that are published. I also regretfully note that the Russian-language press, SM-SEGODNYA in particular, has been opposing from the very start the introduction of a state language without explanation. Yet, this is something which every person must have—knowledge of the language. There is nice talk about integration, but how can one become integrated within a specific environment without knowing the language? It is frequently asked why should a teacher in a Russian school know Latvian? But how will he be able to speak to his students about Latvia and its history, nature, and culture? It is impossible to understand all this without knowing the language. The consequences of this are that for many people the homeland ends at the threshold of their apartment. The outside world becomes an absolutely alien and hostile environment, for the individual is unfamiliar with it. If a plant director does not know on the bank of what river his factory is located, and does not know what happened here, and what is the meaning of monuments of nature and history, whenever the opportunity presents itself he would release effluent water in that river. That would be horrible!

[Matskova] Has the state language inspectorate begun to work?

[Abikis] This is another major problem, for the inspectorate has not as yet started its work. "Thanks" to our bureaucracy, purely technical problems have still not been fully resolved, such as the availability of form certificates, receipts, stamps, etc. For the time being, no single administrative minute has been drafted, although this problem will be resolved shortly. Individuals authorized by the inspectorate will be working on a parallel basis with the state inspectors. I am greatly relying on the responsiveness of my fellow-deputies. School inspectors will also function as public inspectors. However, the process of recruiting inspectors must be quite strict, in order to sift out unsuitable people. I believe that inspection should begin "at the top." I would willingly penalize a minister or self-government official who violates the law. Let the people see that they are all equal in the eyes of the law.

The number of signs in English is increasing in our country at a headlong pace. I visited Lithuania and failed to see any sign at all in the English language. Sometimes we simply appear ridiculous by calling the only store in a village an "intershop." We must fight this phenomenon and we should not bow either to the East or to the West.

I have always emphasized that no law, decree or inspection, no linguistic center could solve anything unless we change our own and, above all, our Latvian, attitude toward our language, unless we personally fail use it and if in the presence of non-Latvians we immediately switch to

Russian or any other language. Recently Russian workers in a beauty salon complained to me that their Latvian colleagues were not addressing them in Latvian, although they had requested them to do so, for they were interested in mastering the Latvian language as fluently as they could. However, the Latvian women continued to address them in Russian, for they found it easier. Naturally, in order for the Latvian language to function as a state language many other problems must be resolved. Contradictions in legislation become most apparent in real life and must be eliminated. Let us remember that we cannot rebuild in a few months what took 50 years to destroy.

Latvia's Environmental Problems Enumerated

93UN0215A Tallinn THE BALTIC INDEPENDENT
in English 16-22 Oct 92 p 6

[Summary by Peter Morris: "Cleaning Up the Baltic"; first paragraph BALTIC INDEPENDENT comment]

[Text] Survey: The sustainable development of the Latvian economy was the first casualty of Soviet occupation, Latvia's report to the United Nations Council on the Environment and Development concludes.

The major concern of Latvia and its neighbours on the Baltic Sea is the continual deterioration of the regional environment. In a document submitted to the United Nations at the World Conference on the Environment in Rio de Janeiro, June 1992, the government outlined its plan to participate in both regional and global development of environmental programmes.

The overriding goal of Latvia is to manage a smooth transition to a market economy while reorienting the economy to utilise local resources and decrease reliance on imported resources and raw materials.

This goal can be achieved, the report claims, by instituting a policy of "sustainable development." This strategy will require:

- levying environmental taxes on polluters;
- requiring industry to comply with environmental regulations;
- upgrading anti-pollution technology;
- upgrading environmental monitoring stations;
- building modern waste treatment centres;
- instituting ecological education.

The most serious environmental problems in Latvia are concentrated in urban areas and sites where agricultural chemicals are stored. Both these sources have caused heavy pollution of the Daugava and Lielupe rivers and have had a serious impact on the ecosystem of the Gulf of Riga.

Human Health

The average life expectancy for men is the lowest in Europe, and for women in Latvia it is among the lowest. Men in rural areas live an average of 63.1 years.

Infant mortality rates are high and climbing at an alarming rate. In 1985, 11.8 of every 1,000 children died in their first year. In 1990 that figure rose to 13.5. In the city of Ventspils two per cent of all children die in their first year.

Among adults, deaths due to cardiovascular diseases continue to increase. During the last ten years incidence of lung cancer has increased by 30 per cent.

Natural Resources

Latvia has few useful mineral resources, mostly building materials such as dolomite, limestone and clay. These minerals are recovered in pit mines only, destroying enormous areas of land.

In total this type of strip mining has ruined 26,000 hectares (ha), more than half of which (17,000 ha) was caused by turf mining. A full 75 per cent of these mining areas have simply been turned into illegal waste dumps.

Energy

Due to Latvia's integration into the Soviet Union, the economy of Latvia is fully dependent on foreign energy resources. Over 90 per cent of Latvia's heating fuel, 100 per cent of its oil and 50 per cent of its electricity needs are met with imports.

The need to expand energy production is obvious. The task is to do so without a significant increase in pollutants. Most citizens strongly oppose the construction of a nuclear plant in Latvia, and building more hydro-electric plants on the Daugava River is both unpopular and impractical.

The most likely option is to expand electricity production at the two Riga thermal plants already in operation, and to build a third, coal-burning plant near the capital. Both these choices are certain to raise the already high level of SO₂ and NO_x emissions.

Agricultural Pollution

During the occupation, agricultural land was reduced by a third. The policy of concentrating agricultural production in small areas has resulted in the exhaustion of the soil and heavy environmental contamination in many regions.

Unmonitored pollution from state-run farms and food processing plants has increased the levels of nitrogen and pesticides in the soil and water.

Water Pollution

Both water supplies and sewage water treatment centers in Latvia are unsatisfactory by Western standards. Even by Soviet standards, only 113 million cu m of sewage, about 30 per cent of Latvia's annual output, is properly treated.

Pollution due to a lack of sewage treatment is worst in Riga. Until 1991, 97.5 per cent of Riga's sewage was discharged untreated into the Daugava River. Even today the central treatment plant can only handle less than half of Riga's sewage.

Because of this situation, swimming is restricted in the Gulf of Riga, where the once popular resort town of

Jurmala is located. Dangerously high levels of human fecal bacteria from Riga as well as pharmaceutical wastes from the city of Olaine force authorities to issue warnings each summer to Latvians wishing to bathe in the Baltic Sea.

Air Pollution

Air pollution in Latvia is far higher than the European average, but on par with the former Soviet Union. Atmospheric concentrations of ammonia, pyridine, hydrogen chloride and isopropanol are abnormally high near the pharmaceutical producing town of Olaine. Levels of phenol, ammonia and xylene remain high in other regions of the country.

Latvia seeks to implement the same standards concerning air pollution as the other industrialised nations on the Baltic Sea. To achieve these standards authorities wish to comply with the recommendations of the Helsinki Commission (HELCOM) on environmental protection.

The strict factory emission assessments required to meet this goal are so far unheard of in the former Soviet Union. Outdated production technologies, worn-out equipment and unskilled labour make it impossible to update most purification procedures. Latvia must rely heavily on the experience and financial assistance of Western countries in order to set standards for the maximum permissible levels of hazardous discharges.

Education

Ecological education is recognised as a continuing and permanent process. During the last two years, changes have been made in the educational system to improve students' ecological awareness. Pupils will be taught the basic concepts of ecology and environmental conservation, including lessons in biology and geography.

The programmes now in use to educate students about the environment are developed by the University of Latvia Ecological Centre, the Environmental Protection Club, and the Society for Nature and the Protection of Monuments in close co-operation with the Latvian Environmental Protection Committee (EPC).

The greatest obstacles to environmental training are the lack of text books and other instruction aids. Instructors, too, have a poor grasp of environmental issues. International exchange of information, literature and teachers is desired.

Foreign Co-operation

Sustainable development as an ultimate environmental goal is only attainable through international co-operation. Latvia's poor economic situation forces it to rely on international assistance in handling its most pressing environmental issues.

Because of this, co-ordination of environmental policies in the Baltic States and the Nordic countries has increased during the past two years. Bilateral agreements have been signed between Latvia and Denmark, Sweden and Finland to exchange information and expertise.

Specifically, money and experts from Denmark have helped to renovate Latvia's previously all-but-non-existent solid and toxic waste disposal plants.

A joint Latvian-Dutch programme is now assessing environmental risks in Ventspils, the second largest port in Latvia. And the Swedish Environmental Research Institute has opened an office in Riga to begin collaborative projects with the EPC.

Policies

The EPC was created on June 20, 1990, with the stated purpose of overseeing, in co-operation with the Supreme Council, a policy on environmental protection and resource allocation.

Since that time, environmental policy in Latvia has been based on a triad of economic incentives to encourage enterprises to reduce pollution, regulatory measures to ensure minimum guidelines are followed, and an aggressive search for technological measures that can improve environmental performance.

Economic incentives have included taxes on polluters since the Law on the Protection of the Environment was passed on August 6, 1991. The drawback to such incentives is that the lack of privatisation has left the overwhelming number of industries under state control. These industries care little about taxation on their profits. Factory managers simply argue that the taxes levied on them for polluting hurt the quality of life for all their workers, and usually gain an exemption from the tax.

Regulatory measures have been equally toothless in Latvia's state-run economy. Most regulatory statutes inherited from the USSR consider the natural environment to be just one component in technological progress. Natural resources, it is argued, belong to the state and therefore no recompensation for its use is needed.

Technological advancements in the field of emissions control are seriously lacking in Latvia, and the present economic downturn leaves little promise of spare resources to improve these technologies. It is estimated that it will require at least five times as much money as is presently available to stabilise the environmental situation. It is hoped that neighbouring Western countries will donate the resources to help diminish the emission of hazardous substances by local industry.

Additionally, practical methods must be found to raise peoples' awareness of environmental issues, so that more pressure to improve the ecological situation will be put on decision makers in government and industry.

*Similar surveys on Lithuania and Estonia have been reviewed in the back issues of THE BALTIC INDEPENDENT (Lithuania, No 123, Estonia, No 121)

LITHUANIA

Chief Views National Defense School Problems

93UN0194B Vilnius TIESA in Lithuanian 8 Oct 92 p 5

[Interview with Colonel Jonas Andriuskevicius, chief of the National Defense School by TIESA correspondent Budrys: "Colonel Jonas Andriuskevicius: 'A Cadet's Bread Smells of Sweat and Not of Politics'"]

[Text] For a month already the former palace of the Sapiega family in Antakalnis, Vilnius, is the home of the future commanders of the land army and the border defense of the Republic of Lithuania. They are the first students, the cadets, of the National Defense School (KAM). How has life changed for these 126 Lithuanian young men who have chosen the officer's profession? What were the changes in the school whose corridors still so recently, as it seems, resounded with the steps of the officers of the USSR army?

Colonel Jonas Andriuskevicius, chief of the National Defense School, agreed to answer the TIESA correspondent's questions.

[Budrys] The National Defense School appeared in Lithuania recently, as if after a wave of a magician's wand. How is it going now?

[Andriuskevicius] I can say that so far we have merely succeeded to buy some paint and to paint over some of the symbols that were left here, inscriptions such as "Slava KPSS" (Glory to the Communist Party of the Soviet Union). And that is not all! We are facing the same problems which we found here when we opened the school. We are short of pedagogues. Older people, who could work here, are shunning this hard, difficult work with the young. Everybody knows now how to count the money. If in some places you get paid for two hours of work the same amount that you would get working eight hours for the KAM, what will be your choice?... We have young men who have become officers after the events of January. In most cases these are officers without a special education. Yes, they can accomplish a lot themselves, but they are unable to transmit their knowledge to others. The former officers of the Soviet army also find it difficult to work for the KAM. Just imagine how difficult a change in orientation is for someone who throughout his entire life has been reading lectures in Russian. Moreover, there is no appropriate methodological foundation, a literature in the Lithuanian language does not exist. I used to work at the University, in the military department, and so I know what I am speaking about. A special desire and effort is needed to be able to work here and to receive a comparatively modest salary.

[Budrys] Are not some particularly interested politicians trying to become the "guardians" of the future officers of Lithuania?

[Andriuskevicius] Some of our cadets have expressed dissatisfaction that former USSR officers are teaching in the school. I tell everybody that the military science has its own principles and its own unchanging laws. There may be only slight differences in their interpretation. Now I frequently meet colleagues from foreign countries. They are

using their own methodology and tests that teach people how to think. The first semester is usually reserved for that purpose—learning how to think. We do not know how our cadets could be taught that. We are trying to show them the possible variants of this and that, and which of them would be the best in a concrete event. Let them decide on their own. I am pleased that so far the public has been taking a benign view of the KAM. Monsignor Alfonsas Svarinskas is paying us regular visits, the leaders of the Vilnius department of culture have taken us under their wing, and the LIETUVA ensemble wants to cooperate with us. Concrete links are being established with the Volunteer National Defense Service. I have not noticed any blatant politicization. And so education is colorless and odorless. Of course, there are characters who could transform everything into politics.

[Budrys] I think it is no secret that a few of our citizens are thinking: "They are now stuffing millions into the military machine and ripping money away from us!" Does the school get sufficient funds to obtain technology and armaments, to establish study space?

[Andriuskevicius] From the former advanced school of radio engineering we have taken over walls and roofs riddled with holes. These buildings never saw capital repairs. Our mess hall will be now repaired for ten million (very cheaply). If such sums will be needed to refurbish all the buildings, then I do not know... It is true that at present we are breathing more easily because funds were allotted for our technological base. We need computers, dictaphones, and tape recorders for the learning of languages and similar needs. We have announced a competition in order to obtain computer technology more cheaply. As for weapons, each cadet has his weapon, which he carries when he goes on guard duty or performs a battle task. Our problems have to do with the heavier weaponry. The time is drawing near when the cadets will have to learn how to drive armored cars. What can be done? We heard promises that all top quality items will be channelled to our school...

[Budrys] The greatest treasure of KAM are the cadets. Have any problems arisen as regards their learning, behavior and mutual relations?

[Andriuskevicius] Our cadets are truly gallant. They understand what road they have chosen. I pray to God that nobody will divert them from this path. I would rather have a smaller first batch of graduates, but only such who will be genuine officers.

There are some problems concerning the soldiers who are serving in the supply and maintenance battalion. Nobody can discipline them—we have no important postlegal acts or a lockup. Therefore, some of the soldiers who were drafted for compulsory service (the future mechanics and drivers of our armored cars and automobiles, the non-commissioned officers) do not return from vacations or return late, are late for roll call. It does not matter that he gave a solemn oath to serve Lithuania. He sticks his hands into his pockets and home he goes. Recently, the commandant's office of Ignalina detained one such runaway fellow and brought him to the KAM. And he simply looked

around and... went away, returned home. And I have no right to detain or to punish him.

[Budrys] Let us go back to the cadets. Some of them came from the high school bench, others—already from the Lithuanian army. Is their training differentiated?

[Andriuskevicius] Perhaps we should differentiate it, because the cadets come in very different categories. Some of them have already been firing from tanks, and know the Kalashnikov sub-machine guns as well as the fingers on their hands, etc. They are our support because they can teach a few things to their younger comrades. These experienced cadets stand in formation with everybody else, take part in the same exercises, "learn" how to shoot and to dig trenches together with the genuine draftees. After all, we cannot split up the sub-unit. It is good that the men understand it. One of them, for example, is a twenty-seven-year-old pilot. He came to study at the KAM. He is trying, is studying everything together with the other cadets. I think that the problem should be resolved as follows: these men should be granted certain social privileges. On the other hand, they are already privileged because running, shooting and managing great physical stress is easier for them. By the way, our school has done away with many restrictions of the cadets' lives. After the exercises they can freely leave for the city, to meet male and female friends.

[Budrys] Were there any misunderstandings?

[Andriuskevicius] The cadets have not disappointed us so far. Otherwise, they live in the barracks. Next year we will have dormitories ready for the second-year students.

[Budrys] Thanks for the conversation.

Economic Statistics for Lithuania

93UN0194A Vilnius TIESA in Lithuanian 9 Oct 92 p 5

[Report by TIESA: "Numbers to Think About"]

[Text] In Lithuania, 415,000 claimants want to take back three million 940 thousand hectares of land. So much land does not exist. Three million and 300,000 hectares are available. Only 93,000 landowners (740,000 hectares) have expressed the desire to be farmers. Most of the landowners live in the cities. Conclusion: three quarters of the owners will sell the land sooner or later, 33,000 people have expressed the desire to buy land.

Five hundred eleven personal enterprises, 157 economic communities, 3,112 agricultural companies, 329 joint-stock enterprises, 11 state joint-stock enterprises and 12 state enterprises—or a total of 4,132—have been registered in agriculture. The most important problem: what should those enterprises do that had listened to the government and broken into smaller units, but are now unable to survive; the efforts to put these units together again are being obstructed in various ways. The companies will have to overcome these obstacles.

In comparison with 1990, 49 percent less milk, 35 percent less meat, and 26 percent fewer eggs were bought this year.

During January-August of this year, 0.8 percent of the general quantity of cattle and poultry and 0.9 percent of milk was bought from farmers this year.

During January-August of 1992, Lithuania's industry sold almost 45 percent less production than during the same period last year. As a result, 127 billion rubles were lost. However, in August 1992 the average wages of industrial workers were nine times higher as compared with the same time period in 1991.

In August of this year the average monthly wages in industry were 8,990 rubles, in agriculture—about 1,500 rubles.

Non-Profit Organization Legal Status Defined

93UN0254A Vilnius LITHUANIAN WEEKLY in English
16-22 Oct 92 p 3

[Article by Gintautas Bartkus, general consultant of the law firm "Lideika, Petrauskas, Valiunas & Partners: "The Legal Status of Non-Profit Organizations"]

[Text] The Law on State Enterprises, enacted on May 8, 1990, determines the basic principles of establishing, managing and conducting commercial-economic activities for state and state-stock enterprises in the Republic of Lithuania. However, this Law does not apply to those legal and natural persons which are engaged in non-commercial (non-profit) activities. The establishment, reorganization, liquidation and activities of non-profit organizations are regulated by the Civil Code of the Republic of Lithuania and the bylaws of a non-profit organization or enterprise. On May 26, 1992, the Lithuanian Government passed Resolution No. 393 "On the Approval of the Basic Principles of Bylaws of Non-Profit Organizations (Enterprises)", which defines the particulars of setting up and managing a non-profit organization in Lithuania.

Non-profit organizations (enterprises) are economic subjects which:

- 1) engage in charity, state economic and social development or other socially beneficial activity which does not seek profit;
- 2) operate in the fields of culture and education, health care and social welfare, physical training and sports, and religion.

A non-profit organization (enterprise) can be founded by one/several natural or legal persons who have adopted its bylaws and have made monetary and non-monetary (property) contributions to form its authorized capital. Foreign enterprises and other legal and natural persons, who are founding non-profit organizations (enterprises) in the Republic of Lithuania or transferring material and financial funds to them, do not need to be issued a license as prescribed by the Law on Foreign Investments in the Republic of Lithuania. At the present time, non-profit organizations, whose founders are foreign legal or natural persons, cannot engage in activities enumerated in the Law on Spheres of Business Activity wherein Foreign Investment is Prohibited or Limited.

The founders of a non-profit organization must prepare the following documents:

- 1) an application which indicates the data to be included in the register and the data necessary for the registration of the non-profit organization (name and location of the organization, main goals and objectives of activity, type and planned period of commercial-economic activity, amount of authorized capital, par value of shares, full names of board members, full name of the administrative director, full names of founders, etc.). The name of the organization (enterprise) must be registered at the State Bureau of Patents;
- 2) the bylaws of a non-profit organization (enterprise) which must indicate the name of the organization (enterprise) and its location, the name of the founder (founders), main goals and objectives of activity, the amount of authorized capital and the procedure of transferring its shares to other persons, management (management bodies, their powers, procedures of adopting resolutions, the necessary quorum for the adoption of resolutions, etc.), sources of income (indicating the type of commercial-economic activity and the subdivisions engaged in it), the rules for the distribution of profit, the procedure for reorganizing and liquidating the organization;
- 3) a license to engage in commercial-economic activities if prescribed by the laws of the Republic of Lithuania;
- 4) an ecological certificate-license if prescribed by the laws of the Republic of Lithuania.

The bylaws of a non-profit organization (enterprise) must be approved by the Ministry of Finance of the Republic of Lithuania. The Ministry of Finance must approve the bylaws not later than 30 days from the date of receipt of the application or issue an unfavorable decision notifying the applicant of the reasons based on the laws and other legislative acts of the Republic of Lithuania pursuant to which the decision was made. The bylaws may be not approved if they contradict the Basic Principles of Bylaws of Non-Profit Organizations (Enterprises), or for other reasons prescribed by the laws of the Republic of Lithuania. If an economic subject uses illegally the status of a non-profit organization (enterprise), the Ministry of Finance has the right to annul this status.

Non-profit organizations (enterprises) are registered at local governments. A non-profit organization acquires the status of a legal person from the moment of its registration.

Non-profit organizations are granted the following benefits:

- 1) non-profit organizations (enterprises) pay a 5% profit tax on taxable profit;
- 2) no fee is paid for the registration of a non-profit organization (enterprise), the approval of its bylaws or the registration of amendments to the bylaws.

Certain additional restrictions are imposed on the distribution of funds of non-profit organizations:

1) a non-profit organization (enterprise) must use not less than 50% of its net receipts (profit), made up of charity donations, subsidies, and profit from commercial-economic activity for financing the realization of its main goals and objectives and for charity purposes;

2) the founders, joint owners (shareholders) or members of a non-profit organization (enterprise) do not have the right to receive payments from its profit or reserve funds for their membership or contributions to the capital of the organization (enterprise);

3) no persons can receive payments from the financial funds of a non-profit organization (enterprise) if this is not related with the realization of the goals and objectives provided by the bylaws;

4) a non-profit organization (enterprise) must submit information about its activities, income and profit and how they have been used, and indicate the amount of authorized capital and the average salaries of employees (engaged in the main and commercial-economic activities) to the Ministry of Finance at least once a year and make this information public.

If a non-profit organization (enterprise) allocates a smaller amount of funds for the realization of its goals and objectives and for charity than is indicated in its bylaws, the non-used funds (the difference between the sum fixed by the bylaws for financing main activities and the actual sum used) and a double fine is paid into the budget.

A non-profit organization may establish its organizational structure, set up subsidiaries and other structural subdivisions which would engage in commercial-economic activity and earn financial resources for the needs of fulfilling the main goals and objectives of the non-profit organization (enterprise); set up individual (personal) enterprises which operate in accordance with the Law on State Enterprises of the Republic of Lithuania. Those non-profit organizations (enterprises) which function as charity or other financial foundations, do not have the right to engage in commercial-economic activity, set up profit-seeking joint-stock or other enterprises, hold shares the par value of which is more than 10% of the authorized capital of these enterprises.

The financial resources of a non-profit organization (enterprise) is to be formed from internal and external sources:

1) Internal sources may include depreciation charges and profit from commercial-education activity. A non-profit organization (enterprise) can use depreciation charges only for the recovery of the physical and moral depreciation of its fixed assets.

2) External sources may include state (local government) subsidies, financial funds, contributions made by joint owners (shareholders), donations made by natural and legal persons, charity, and loan capital.

One of the first foreign non-profit organizations established in Lithuania is "Catholic Radio and Television Network". The founder is John McKenna (USA). "Catholic Radio and Television Network" has as its main

objectives the organization of lectures, seminars, cultural and scientific events, and cultural exchanges.

Lithuania's Emigration Problems Examined

93UN0195A Vilnius ATGIMIMAS in Lithuanian
5 Oct 92 p 5

[Article by Stasys Vaitekunas, chairman of Lithuania's Geographers' Association: "The New Emigration and the Return of the Old Emigration"]

[Text] There is no state or nation in the world whose people live only in their country. Migration of the people is a natural phenomenon and Lithuania will not avoid it.

The processes of emigration and immigration are legally regulated by the laws adopted by the Supreme Council of the Republic of Lithuania. The emigration law is very liberal—it does not restrict anything and merely legalizes free movement of people and the choice of residence.

If we want to speak about the Lithuanian emigration, we should discuss several essential questions: the number of the emigrants, the causes of the emigration and its results, the possibilities of regulating the emigration, the relations with the diaspora, and the prompting of re-emigration.

Emigration from Lithuania has been considerable at all times. It started in the 17th century, and perhaps even earlier, but Lithuanians began to emigrate on a mass scale only since the middle of the 19th century. Up to World War I, some 700,000 - 800,000 Lithuanians left Lithuania. If we add those Lithuanians who lived in the non-Lithuanian provinces of the Russian empire, the total would come to almost a million. During 1918- 1939 an additional 100,000 people departed from Lithuania. Quite a few also left Lithuania at the end of World War II. About 1 million Lithuanians and people of Lithuanian origin are living outside Lithuania's borders at present.

Basing one's forecast on the observation of the economic and social processes and of the emigration policies of other states, one might say that the present emigration from Lithuania should not be very big. Only the first wave of emigrants might be relatively large, and it is already rising in Lithuania as unemployment keeps mounting and subsistence is becoming more and more expensive. This is indicated by the emigrational statistics and the number of applications submitted.

A total of 2,618 people left Lithuania for other countries in 1991, and 741 in the first half of this year. (The 18,085 individuals who departed for their permanent residences in the former USSR are not included in these figures). Jews (60 percent) constitute the largest group of emigrants, while Lithuanians are only 15 percent of the total. Thus, the present number of emigrants almost completely corresponds to the annual total of the prewar years when following the economic crisis of the 1930's, the economy and the living standards were rising. However, these statistics are not reliable because many people are leaving the Republic not via the Emigration Service but invited by relatives or in the "wild" way—having purchased invitations to the "Americas." Some of them try in various ways

to become emigrants and do succeed. Lithuanians living in the United States, Great Britain, and other Western states are witnesses of the large influx of the "new wave" of emigrants. We should pay greater attention to the emigrating people not only because of their large numbers, but also to take care that these people should not be "lost" for Lithuania, would not forget their Fatherland and vice versa.

The results of emigration may be positive and negative. Since the natural increase of the population is rather small (about 15,000 per year), the population may stop increasing or even begin to go down. This is exactly what happened in 1991 because of the total number of emigrants who departed both for the East and for the West. Knowing the unfavorable age structure of the population of Lithuania, one could draw even sadder conclusions but it is not worthwhile to resort to instant pessimistic judgment. The diminishing population numbers could be counterbalanced by increasing the immigration quotas into Lithuania, although a large-scale immigration of foreigners into a small country always results also in a negative impact. We should be more active in promoting the homecoming, after a long while, of the people who have remained in Siberia and in other areas of Russia and Kazakhstan.

At present, the emigrants from Lithuania are mostly young, healthy, and educated people who are not afraid to seek something new. Such "brain drain" will yield nothing good for Lithuania and may even be disastrous for science, medicine, and architecture. Of course, emigration might solve some problems of unemployment in Lithuania, but this solution would exact too heavy a price.

On the other hand, emigrations cannot be evaluated only in the negative sense. A well-organized diaspora is a very much needed reinforcement for their true Fatherland, especially during the critical moments. We know how much the Lithuanian communities, especially those living in the West, have contributed during the struggle to retrieve Lithuania's statehood early in the 20th century and now. Highly qualified Lithuanian specialists are today helping to restructure Lithuania's economy, to bring the legal system, culture and education closer to global standards, and are active in Lithuania's political life. This assistance could be considerably greater and more effective if we had a better program for cooperation with the diaspora.

Economic and social causes have the greater influence on the emigration. Emigrational attitudes, especially among the young, may be stimulated by unemployment and the necessity to adapt to new economic conditions. Young people, and the students in particular, are already engaged in a lively discussion of these questions. About 50 percent of them would like to emigrate for all time or temporarily, or at least to study abroad. Research data indicates that about 10-15 percent of those wanting to emigrate make their intentions come true. Emigration should not be forbidden, but it should be indirectly regulated—by way of economic measures and also by applying moral influence.

Emigration is influenced mainly by the country's economic condition, social harmony, the possibility for each young person to seek to attain his goals, to try out his aptitude in private business, and the like. Unfortunately, disorder still abounds in Lithuania at this time.

Contemporary emigration is also affected by how the diaspora, especially those living in the West, will receive the newcomers. News about discord between the new emigrants and the old residents reach us from the United States, Canada, and Great Britain. The newcomers are shunning participation in the activity of the Lithuanian parishes and the Lithuanian community centers. Perhaps history is repeating itself: the emigrants who came to America in the war time or in the postwar years also frequently failed to find a common language with the old diaspora. Therefore, it is nothing unusual that the present-day emigrants, who were born and raised in a Soviet environment, find it difficult to conceive of a different way of life and work, or to understand the norms of Christian morality.

Another problem is to maintain the Lithuanian character of those who have gone abroad by finding the optimal way of cooperation between the Lithuanian colonies and the true Fatherland. They should maintain various contacts, but main attention should be paid to uninterrupted cultural and educational exchanges. The existing contacts are not always effective. The Lithuanian specialists from the West, who want to teach us how we should manage things in Lithuania's new situation, are often unable to communicate with our specialists, who in their turn are "teaching" the visitors how to adapt themselves to the situation. Such contacts are, of course, not very useful. The solution may be quite simple: instead of teaching each other, let us learn from one another.

We should also discuss re-emigration, which was as normal a phenomenon as the emigration in prewar Lithuania. Lithuania would benefit from "American farms," "American drugstores," "American factories," and similar progress-spreading institutions. But will they appear? After the scandalous episode of the granting of citizenship for the members of the Lithuanian diaspora, we should not only apologize to our compatriots but also to intensify our efforts to normalize mutual relations.

Many Lithuanians, who for many years kept writing letters to the presidents of the western states, kept demonstrating in front of the soviet embassies and spreading truth about Lithuania throughout the world, now come to visit Lithuania and find what they had never expected. They are barred from starting a business and are not allowed to recover their own or their parents' property. In my opinion, the only just solution would be to create the most favorable conditions for the return of Lithuanians to their Fatherland and for their settlement there.

I think that the general policy of relations with the diaspora should be shaped by the government, but concrete relations should be maintained not by the governmental institutions but by public and religious organizations, associations, etc. Material assistance is at present particularly urgent for the

Lithuanians of Pelese, Gervencial and other places in Belarus and Siberia. But this assistance should also be rendered according to programs based on specific goals, because otherwise it will not be very effective.

The same can be said about the financial assistance to Lithuania from Lithuanians living in the United States and Canada. Today, nobody can tell exactly how that assistance was used. And sometimes we even forget to thank for it. Apparently, Lithuania would profit more not from an assistance in dollars but from industrial equipment, agricultural machinery, etc. We might recall the

Japanese advice: "If you give a fish to a hungry person—you will feed him once. If you teach him how to fish—he will be well fed all his life."

I would also like to see a representative of our diaspora in the Seimas of the Republic of Lithuania. My hope is that the Lithuanian state will be able to create favorable conditions for the investment of capital into the Lithuanian economy and thus for the contribution to its revival. The second Congress of Lithuanians scheduled for 1994 should take place in Lithuania.

Adapted from a report, delivered at the Birstonas Conference: "Lithuania-Diaspora: Bonds and Unexploited Possibilities."

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